

ARIZONA HOUSE OF REPRESENTATIVES  
Fifty-second Legislature - First Regular Session

## MAJORITY CAUCUS CALENDAR

February 24, 2015

Bill Number	Short Title	Committee	Date	Action
-------------	-------------	-----------	------	--------

### Committee on Appropriations

**Chairman:** Justin Olson, LD25

**Vice Chairman:** Vince Leach, LD11

**Analyst:** Jennifer Thomsen

**Intern:** Meagan Swart

[HB 2610](#) community college collegiate special plates  
 SPONSOR: OLSON, LD25 HOUSE  
 APPROP 2/18 DPA (5-3-1-5-0)  
 (No: MEYER,MACH,BOWERS; Abs:  
 CARDENAS,RIVERO,CLARK,PETERSEN,UGENTI;  
 Present: SHERWOOD)

[HB 2670](#) international operations centers  
 SPONSOR: GOWAN, LD14 HOUSE  
 APPROP 2/18 DPA (10-2-0-2-0)  
 (No: PETERSEN,UGENTI; Abs: CARDENAS,RIVERO)

### Committee on Agriculture, Water and Lands

**Chairman:** Brenda Barton, LD6

**Vice Chairman:** Darin Mitchell, LD13

**Analyst:** Tom Savage

**Intern:** Christopher Palmer

[HB 2162](#) fire suppression; federal reimbursement.  
 (AWL S/E: rural fire district study committee)  
 SPONSOR: COLEMAN, LD16 HOUSE  
 AWL 2/12 DPA/SE (9-0-0-0-0)

[HB 2485](#) tax lien foreclosures; subdivisions; exemption  
 SPONSOR: SHOPE, LD8 HOUSE  
 AWL 2/19 DP (7-0-0-2-0)  
 (Abs: COBB,MONTENEGRO)

[HB 2599](#) water supply development fund; committee.  
 SPONSOR: BORRELLI, LD5 HOUSE  
 AWL 2/19 DP (6-3-0-0-0)  
 (No: BENALLY,GABALDÓN,OTONDO)

[HB 2658](#) federal lands; transfer; study committee  
 SPONSOR: BARTON, LD6 HOUSE  
 AWL 2/19 DPA (6-1-0-2-0)  
 (No: GABALDÓN; Abs: COBB,MONTENEGRO)

**Committee on Banking and Financial Services****Chairman: Kate Brophy McGee, LD28****Vice Chairman: Jeff Weninger, LD17****Analyst: Paul Benny****Intern: Christopher Rasmussen**

<a href="#"><u>HB 2220</u></a>	security freezes; credit reports; minors. (BFS S/E: protected consumer; reports; security freezes)
SPONSOR: COBB, LD5	HOUSE
	BFS 2/10 DPA/SE (5-2-0-1-0)
	(No: MCCUNE DAVIS,ESPINOZA; Abs: ALLEN J)
<a href="#"><u>HB 2323</u></a>	Arizona job finance bonds (BFS S/E: industrial development authority; projects)
SPONSOR: WENINGER, LD17	HOUSE
	BFS 2/17 DPA/SE (7-0-0-1-0)
	(Abs: GABALDÓN)
<a href="#"><u>HB 2416</u></a>	annual report; licensee; filing extension
SPONSOR: STEVENS, LD14	HOUSE
	BFS 2/17 DP (5-2-0-1-0)
	(No: MCCUNE DAVIS,ESPINOZA; Abs: GABALDÓN)

**Committee on Children and Family Affairs****Chairman: John Allen, LD15****Vice Chairman: Kate Brophy McGee, LD28****Analyst: Ingrid Garvey****Intern: Brennan Rohs**

<a href="#"><u>HB 2024</u></a>	technical correction; health services; fees (CFA S/E: child safety oversight committee; continuation)
SPONSOR: BROPHY MCGEE, LD28	HOUSE
	CFA 2/16 DPA/SE (9-0-0-0-0)
<a href="#"><u>HB 2047</u></a>	child removal; supervisor review; approval
SPONSOR: TOWNSEND, LD16	HOUSE
	CFA 2/16 DPA (9-0-0-0-0)
<a href="#"><u>HB 2099</u></a>	adoption; definitions; agency records
SPONSOR: BROPHY MCGEE, LD28	HOUSE
	CFA 1/26 DP (9-0-0-0-0)
<a href="#"><u>HB 2100</u></a>	DCS employee personal information; confidentiality
SPONSOR: BROPHY MCGEE, LD28	HOUSE
	CFA 2/9 DP (9-0-0-0-0)
<a href="#"><u>HB 2101</u></a>	tribal social services agencies; information
SPONSOR: BROPHY MCGEE, LD28	HOUSE
	CFA 2/9 DP (8-0-0-1-0)
	(Abs: ACKERLEY)
<a href="#"><u>HB 2418</u></a>	shelter programs; report; submission date
SPONSOR: STEVENS, LD14	HOUSE
	CFA 2/16 DP (9-0-0-0-0)
<a href="#"><u>HB 2563</u></a>	health facilities; substance abuse recovery
SPONSOR: CAMPBELL, LD1	HOUSE
	CFA 2/16 DP (7-1-1-0-0)

(No: MENDEZ; Present: GONZALES)  
[HB 2571](#) DCS information; legislator discussion  
 SPONSOR: TOWNSEND, LD16 HOUSE  
 CFA 2/16 DPA (5-4-0-0-0)  
 (No: GONZALES,MENDEZ,RIOS,BROPHY MCGEE)

### Committee on County and Municipal Affairs

**Chairman: Doug Coleman, LD16** **Vice Chairman: Tony Rivero, LD21**  
**Analyst: Ginna Garico** **Intern: Robert Lewis**  
[HB 2063](#) cities and towns; technical correction  
 (CMA S/E: limited county employee merit system)  
 SPONSOR: COLEMAN, LD16 HOUSE  
 CMA 2/9 DPA/SE (4-3-0-1-0)  
 (No: BOLDING,GABALDÓN,ESPINOZA; Abs: BOYER)

[HB 2095](#) job-order-contracting; bond; waiver  
 (CMA S/E: performance bond waiver; eligibility)  
 SPONSOR: COLEMAN, LD16 HOUSE  
 CMA 2/2 DPA (6-2-0-0-0)  
 (No: FANN,BOLDING)  
 CMA 2/16 DPA/SE (7-0-0-1-0)  
 (Abs: GABALDÓN)

### Committee on Commerce

**Chairman: Warren Petersen, LD12** **Vice Chairman: Jill Norgaard, LD18**  
**Analyst: Diana Clay** **Intern: Justin Larson**  
[HB 2005](#) technical correction; unordered merchandise  
 (COM S/E: fire access roads; limitation; enforcement)  
 SPONSOR: PETERSEN, LD12 HOUSE  
 COM 2/18 DPA/SE (5-3-0-0-0)  
 (No: FERNANDEZ,ESPINOZA,MACH)  
[HB 2336](#) contract progress payments; design professionals  
 SPONSOR: FANN, LD1 HOUSE  
 COM 2/18 DPA (8-0-0-0-0)  
[HB 2611](#) consumer flex loans  
 SPONSOR: MESNARD, LD17 HOUSE  
 COM 2/18 DPA (5-3-0-0-0)  
 (No: FERNANDEZ,ESPINOZA,MACH)

### Committee on Education

**Chairman: Paul Boyer, LD20** **Vice Chairman: Jay Lawrence, LD23**  
**Analyst: Aaron Wonders** **Intern: Joey Pickels**  
[HB 2190](#) schools; common core; replacement  
 (ED S/E: common core; replacement)  
 SPONSOR: FINCHEM, LD11 HOUSE  
 ED 2/18 DPA/SE (5-2-0-0-0)  
 (No: BOLDING,OTONDO)  
[HB 2208](#) charter schools; agricultural buffer zones  
 (ED S/E: notice of claim; public schools)  
 SPONSOR: BOYER, LD20 HOUSE  
 ED 2/18 DPA/SE (7-0-0-0-0)

[HB 2246](#) statewide assessments; parental opt out  
 SPONSOR: ACKERLEY, LD2 HOUSE  
 ED 2/18 DPA (5-2-0-0-0)  
 (No: BOLDING,OTONDO)

[HB 2250](#) empowerment scholarship accounts; applications  
 SPONSOR: MITCHELL, LD13 HOUSE  
 ED 2/18 DP (4-3-0-0-0)  
 (No: BOLDING,COLEMAN,OTONDO)

[HB 2302](#) ADE; state and federal monies  
 SPONSOR: FARNSWORTH E, LD12 HOUSE  
 ED 2/18 DPA (7-0-0-0-0)

[HB 2448](#) technical correction; air pollution; orders  
 (ED S/E: average daily membership; homeschool pupils)  
 SPONSOR: OLSON, LD25 HOUSE  
 ED 2/18 DPA/SE (7-0-0-0-0)

[HB 2449](#) water protection; technical correction  
 (ED S/E: per pupil transportation support level)  
 SPONSOR: OLSON, LD25 HOUSE  
 ED 2/18 DPA/SE (5-2-0-0-0)  
 (No: BOLDING,OTONDO)

[HB 2483](#) school tax credit; classroom expenses  
 SPONSOR: LIVINGSTON, LD22 HOUSE  
 ED 2/4 DP (5-2-0-0-0)  
 (No: BOLDING,OTONDO)

[HB 2562](#) school property; proceeds; limitations; removal  
 SPONSOR: NORGAARD, LD18 HOUSE  
 ED 2/18 DP (7-0-0-0-0)

[HB 2622](#) student count; growth; current year  
 SPONSOR: OLSON, LD25 HOUSE  
 ED 2/18 DP (5-2-0-0-0)  
 (No: BOLDING,OTONDO)

#### **Committee on Energy, Environment and Natural Resources**

**Chairman: Frank Pratt, LD8**

**Vice Chairman: Rusty Bowers, LD25**

**Analyst: Tom Savage**

**Intern: Christopher Palmer**

[HB 2581](#) prescribed burns liability study committee  
 SPONSOR: CAMPBELL, LD1 HOUSE  
 EENR 2/16 DP (8-0-0-1-0)  
 (Abs: CARTER)

[HB 2636](#) closure; underground storage; technical correction  
 (EENR S/E: underground storage tank program; eligibility)  
 SPONSOR: BOWERS, LD25 HOUSE  
 EENR 2/16 DPA/SE (8-0-0-1-0)  
 (Abs: CARTER)

#### **Committee on Elections**

**Chairman: Michelle Ugenti, LD23**

**Vice Chairman: J. D. Mesnard, LD17**

**Analyst: Ginna Carico**

**Intern: Robert Lewis**

[HB 2067](#) independent expenditure disclosures; aggregate percentage  
 SPONSOR: MESNARD, LD17 HOUSE  
 ELECT 2/16 DPA (5-0-0-1-0)

<a href="#">HB 2407</a>	referendum and recall provisions	(Abs: CARTER)			
SPONSOR:	STEVENS, LD14	HOUSE			
		ELECT	2/16	DPA	(3-2-0-1-0)
		(No: CLARK,LARKIN; Abs: CARTER)			
<a href="#">HB 2589</a>	campaign finance; electronic filing system				
SPONSOR:	STEVENS, LD14	HOUSE			
		ELECT	2/16	DPA	(5-0-0-1-0)
		(Abs: CARTER)			
<a href="#">HB 2595</a>	late filings; campaign finance reports				
SPONSOR:	MESNARD, LD17	HOUSE			
		ELECT	2/16	DP	(5-0-0-1-0)
		(Abs: CARTER)			
<a href="#">HB 2608</a>	elections; active registered voters				
SPONSOR:	MESNARD, LD17	HOUSE			
		ELECT	2/16	DP	(5-0-0-1-0)
		(Abs: CARTER)			
<a href="#">HCR 2024</a>	lieutenant governor; joint ticket				
SPONSOR:	MESNARD, LD17	HOUSE			
		ELECT	2/9	DP	(4-1-0-1-0)
		(No: UGENTI; Abs: CARTER)			

**Chairman:** Kelly Townsend, LD16                      **Vice Chairman:** Noel Campbell, LD1

**Vice Chairman: Noel Campbell, LD1**

[HB 2055](#) school bonds; technical correction  
(FSR S/E: sovereign authority; water; United States)  
SPONSOR: THORPE, LD6 HOUSE  
FSR 2/18 DPA/SE (4-2-0-2-0)  
(No: CAMPBELL, VELASQUEZ; Abs: WHEELER, RIOS)

[HB 2145](#) convention; delegates; limitations; oath  
SPONSOR: THORPE, LD6 HOUSE  
FSR 2/18 DP (5-1-0-2-0)  
(No: VELASQUEZ; Abs: WHEELER,RIOS)

[HCM 2001](#) federal balanced budget amendment  
SPONSOR: MESNARD, LD17 HOUSE  
FSR 2/18 DP (5-2-0-1-0)  
(No: WHEELER.VELASQUEZ; Abs: RIOS)

**Committee on Government and Higher Education****Chairman: Bob Thorpe, LD6****Vice Chairman: Chris Ackerley, LD2****Analyst: Katy Proctor****Intern: Danny DeHoog**

[HB 2016](#) technical correction; mortgage guaranty insurance  
(GHE S/E: corporation commission; database)  
SPONSOR: MITCHELL, LD13 HOUSE  
GHE 2/19 DPA/SE (6-3-0-0-0)  
(No: FRIESE,SALDATE,LARKIN)

[HB 2022](#) technical correction; home health agencies  
(GHE S/E: tuition waiver scholarship; university; revisions)  
SPONSOR: BROPHY MCGEE, LD28 HOUSE  
GHE 2/5 DPA/SE (8-0-0-1-0)  
(Abs: THORPE)

[HB 2053](#) technical correction; television district establishment  
(GHE S/E: public assistance; transition plan; report)  
SPONSOR: THORPE, LD6 HOUSE  
GHE 2/19 DPA/SE (5-3-0-1-0)  
(No: FRIESE,SALDATE,LARKIN; Abs: ACKERLEY)

[HB 2056](#) state bonds; technical correction  
(GHE S/E: zoning; prohibition)  
SPONSOR: THORPE, LD6 HOUSE  
GHE 2/19 DPA/SE (7-0-0-2-0)  
(Abs: PETERSEN,OLSON)

[HB 2121](#) agricultural improvement districts; technical correction  
(GHE S/E: municipal improvement districts; sale; description)  
SPONSOR: BORRELLI, LD5 HOUSE  
GHE 2/12 DPA/SE (8-0-0-1-0)  
(Abs: PETERSEN)

[HB 2261](#) university admissions; CTE; fine arts  
SPONSOR: BOWERS, LD25 HOUSE  
GHE 2/19 DP (9-0-0-0-0)

[HB 2297](#) state agency rulemaking; restrictions  
SPONSOR: FARNSWORTH E, LD12 HOUSE  
GHE 2/12 DP (7-2-0-0-0)  
(No: FRIESE,SALDATE)

[HB 2398](#) residential tow truck parking; limitation  
SPONSOR: PRATT, LD8 HOUSE  
GHE 2/12 DP (6-0-0-3-0)  
(Abs: TOWNSEND,PETERSEN,OLSON)

[HB 2441](#) taxing districts; boundary changes; procedures  
SPONSOR: LIVINGSTON, LD22 HOUSE  
GHE 2/5 DP (7-1-0-1-0)  
(No: PETERSEN; Abs: LARKIN)

[HB 2442](#) community college expenditure limits; recalculation  
SPONSOR: OLSON, LD25 HOUSE  
GHE 2/19 DPA (6-2-1-0-0)  
(No: FRIESE,LARKIN; Present: SALDATE)

<a href="#"><u>HB 2551</u></a>	state, county employees; precinct committeemen				
SPONSOR:	WENINGER, LD17	HOUSE			
	GHE	2/12	DPA	(8-0-0-1-0)	
	(Abs: LARKIN)				
<a href="#"><u>HB 2587</u></a>	state agencies; credit cards				
SPONSOR:	FINCHEM, LD11	HOUSE			
	GHE	2/19	DPA	(8-0-0-1-0)	
	(Abs: OLSON)				
<a href="#"><u>HB 2588</u></a>	certificates of necessity; political subdivisions				
SPONSOR:	STEVENS, LD14	HOUSE			
	GHE	2/19	DPA	(9-0-0-0-0)	
<a href="#"><u>HB 2647</u></a>	information technology; title 18				
SPONSOR:	STEVENS, LD14	HOUSE			
	GHE	2/19	DPA	(9-0-0-0-0)	
<a href="#"><u>HCR 2028</u></a>	civilian conservation corps; recognition				
SPONSOR:	SALDATE, LD3	HOUSE			
	GHE	2/12	DP	(8-0-0-1-0)	
	(Abs: TOWNSEND)				
<a href="#"><u>HM 2001</u></a>	urging parks board; historic place				
SPONSOR:	SALDATE, LD3	HOUSE			
	GHE	2/12	DP	(9-0-0-0-0)	

#### **Committee on Health**

**Chairman: Heather Carter, LD15**

**Vice Chairman: Regina Cobb, LD5**

**Analyst: Ingrid Garvey**

**Intern: Brennan Rohs**

<a href="#"><u>HB 2102</u></a>	children; chronic illness; physical disability				
SPONSOR:	BROPHY MCGEE, LD28	HOUSE			
	HEALTH	2/3	DP	(6-0-0-0-0)	
<a href="#"><u>HB 2116</u></a>	burial; instructions				
SPONSOR:	PETERSEN, LD12	HOUSE			
	HEALTH	2/17	DPA	(6-0-0-0-0)	
<a href="#"><u>HB 2140</u></a>	ambulance services; temporary authority				
SPONSOR:	CARTER, LD15	HOUSE			
	HEALTH	2/17	DPA	(6-0-0-0-0)	
<a href="#"><u>HB 2196</u></a>	technical correction; environmental education (HEALTH S/E: certified nursing assistants)				
SPONSOR:	BOYER, LD20	HOUSE			
	HEALTH	2/17	DPA/SE	(6-0-0-0-0)	
<a href="#"><u>HB 2373</u></a>	AHCCCS; orthotics				
SPONSOR:	BROPHY MCGEE, LD28	HOUSE			
	HEALTH	2/10	DP	(6-0-0-0-0)	
<a href="#"><u>HB 2605</u></a>	DHS; stroke care protocols				
SPONSOR:	COBB, LD5	HOUSE			
	HEALTH	2/17	DP	(6-0-0-0-0)	
<a href="#"><u>HCM 2004</u></a>	Mohave County radiation compensation act				
SPONSOR:	COBB, LD5	HOUSE			
	HEALTH	2/17	DP	(5-0-0-1-0)	
	(Abs: MEYER)				
<a href="#"><u>HR 2004</u></a>	fibromyalgia awareness day				
SPONSOR:	FINCHEM, LD11	HOUSE			
	HEALTH	2/17	DP	(6-0-0-0-0)	

**Committee on Insurance****Chairman: Karen Fann, LD1****Vice Chairman: David Livingston, LD22****Analyst: Paul Benny****Intern: Christopher Rasmussen**

<a href="#"><u>HB 2135</u></a>	technical correction; insurance; existing actions (INS S/E: transportation network companies)				
SPONSOR:	FANN, LD1	HOUSE			
		INS	2/18	DPA/SE	(6-1-0-1-0)
				(No: MCCUNE DAVIS; Abs: ROBSON)	
<a href="#"><u>HB 2168</u></a>	public agency pooling; unemployment insurance				
SPONSOR:	BROPHY MCGEE, LD28	HOUSE			
		INS	2/4	DP	(8-0-0-0-0)
<a href="#"><u>HB 2352</u></a>	credit for reinsurance (INS S/E: credit for reinsurance; reduction; liability)				
SPONSOR:	FANN, LD1	HOUSE			
		INS	2/18	DPA/SE	(8-0-0-0-0)
<a href="#"><u>HB 2568</u></a>	insurance premium tax reduction				
SPONSOR:	LIVINGSTON, LD22	HOUSE			
		INS	2/4	DPA	(6-1-0-1-0)
				(No: OTONDO; Abs: MCCUNE DAVIS)	
		APPROP	2/18	DP	(8-3-0-3-0)
				(No: SHERWOOD, MEYER, MACH; Abs: CARDENAS, RIVERO, CLARK)	

**Committee on Judiciary****Chairman: Eddie Farnsworth, LD12****Vice Chairman: Sonny Borrelli, LD5****Analyst: Gina Kash****Intern: Morganne Barrett**

<a href="#"><u>HB 2088</u></a>	mental health; veteran; homeless courts. (JUD S/E: magistrates; municipal courts)				
SPONSOR:	BORRELLI, LD5	HOUSE			
		JUD	2/18	DPA/SE	(5-0-0-1-0)
				(Abs: MESNARD)	
<a href="#"><u>HB 2204</u></a>	criminal restitution order; courts				
SPONSOR:	BOYER, LD20	HOUSE			
		JUD	2/18	DPA	(5-0-0-1-0)
				(Abs: KERN)	
<a href="#"><u>HB 2205</u></a>	traffic offense; restitution				
SPONSOR:	BOYER, LD20	HOUSE			
		JUD	2/18	DP	(5-0-0-1-0)
				(Abs: MESNARD)	
<a href="#"><u>HB 2304</u></a>	aggravated assault; simulated deadly weapon				
SPONSOR:	FARNSWORTH E, LD12	HOUSE			
		JUD	2/18	DP	(5-0-0-1-0)
				(Abs: MESNARD)	
<a href="#"><u>HB 2322</u></a>	misbranded drugs; counterfeit marks; offense				
SPONSOR:	WENINGER, LD17	HOUSE			
		JUD	2/18	DPA	(5-0-0-1-0)
				(Abs: MESNARD)	
<a href="#"><u>HB 2378</u></a>	peace officers; unlawful sexual conduct				
SPONSOR:	BORRELLI, LD5	HOUSE			
		JUD	2/18	DPA	(5-0-0-1-0)
				(Abs: MESNARD)	



[HB 2632](#) dog tethering  
(JUD S/E: unlawful dog tethering)  
SPONSOR: LAWRENCE, LD23 HOUSE  
JUD 2/18 DPA/SE (4-1-0-1-0)  
(No: FRIESE; Abs: MESNARD)

[HB 2663](#) small claims divisions; permissible motions  
(JUD S/E: satisfaction of judgment)  
SPONSOR: COBB, LD5 HOUSE  
JUD 2/18 DPA/SE (5-0-0-1-0)  
(Abs: MESNARD)

#### **Committee on Military Affairs and Public Safety**

**Chairman: Sonny Borrelli, LD5**

**Vice Chairman: Mark Finchem, LD11**

**Analyst: Casey Baird**

**Intern: Delaney Krauss**

[HB 2106](#) emergency and military affairs; continuation  
SPONSOR: BORRELLI, LD5 HOUSE  
MAPS 2/19 DP (9-0-0-0-0)

[HB 2126](#) department of public safety; divisions  
SPONSOR: BORRELLI, LD5 HOUSE  
MAPS 2/19 DP (9-0-0-0-0)

[HB 2274](#) emergency and military affairs omnibus  
SPONSOR: BORRELLI, LD5 HOUSE  
MAPS 2/19 DPA (9-0-0-0-0)

[HB 2489](#) EMTs; peace officers; naloxone administration  
SPONSOR: CARTER, LD15 HOUSE  
MAPS 2/5 DPA (7-1-0-1-0)  
(No: FARNSWORTH E; Abs: BORRELLI)

#### **Committee on Transportation and Infrastructure**

**Chairman: Rick Gray, LD21**

**Vice Chairman: David Stevens, LD14**

**Analyst: Justin Riches**

**Intern: Samantha Oswitch**

[HB 2308](#) vehicle equipment; lighting.  
SPONSOR: FARNSWORTH E, LD12 HOUSE  
TI 2/10 DP (8-0-0-1-0)  
(Abs: STEVENS)

[HB 2528](#) vehicle right-of-way; buses  
SPONSOR: THORPE, LD6 HOUSE  
TI 2/17 DP (9-0-0-0-0)

[HB 2609](#) license plates; trailers; issuance  
(TI S/E: reciprocal driver license agreements)  
SPONSOR: GRAY, LD21 HOUSE  
TI 2/17 DPA/SE (9-0-0-0-0)

[HB 2662](#) speed restrictions; penalties  
SPONSOR: STEVENS, LD14 HOUSE  
TI 2/17 DP (7-2-0-0-0)  
(No: FERNANDEZ, STEELE)

**Committee on Ways and Means****Chairman: Darin Mitchell, LD13****Vice Chairman: Anthony Kern, LD20****Analyst: Ryan Sullivan****Intern: Matthew VanBenschoton**

<a href="#"><u>HB 2069</u></a>	technical correction; tax refund account (WM S/E: income tax reduction; online TPT)				
SPONSOR:	MESNARD, LD17 HOUSE				
	WM	2/16	DPA/SE	(6-3-0-0-0)	
	(No: SHERWOOD,CARDENAS,WHEELER)				
<a href="#"><u>HB 2083</u></a>	income tax revisions				
SPONSOR:	MESNARD, LD17 HOUSE				
	WM	1/26	DPA	(8-1-0-0-0)	
	(No: SHERWOOD)				
	APPROP	2/18	DPA	(7-3-0-4-0)	
	(No: SHERWOOD,MEYER,MACH; Abs: CARDENAS,RIVERO,CLARK,UGENTI)				
<a href="#"><u>HB 2108</u></a>	property tax; class nine; conventions				
SPONSOR:	MITCHELL, LD13 HOUSE				
	WM	2/16	DP	(9-0-0-0-0)	
<a href="#"><u>HB 2253</u></a>	property tax assessments; one-year cycle				
SPONSOR:	MITCHELL, LD13 HOUSE				
	WM	2/2	DPA	(8-0-0-1-0)	
	(Abs: SHERWOOD)				
<a href="#"><u>HB 2450</u></a>	taxation; trust income; technical correction (WM S/E: TPT exemption; renting billboards)				
SPONSOR:	OLSON, LD25 HOUSE				
	WM	2/16	DPA/SE	(9-0-0-0-0)	
<a href="#"><u>HB 2615</u></a>	illegal tax levies; review; notice				
SPONSOR:	ACKERLEY, LD2 HOUSE				
	WM	2/16	DP	(8-0-0-1-0)	
	(Abs: UGENTI)				
<a href="#"><u>HB 2616</u></a>	public school credit; equalization assistance				
SPONSOR:	OLSON, LD25 HOUSE				
	WM	2/16	DP	(6-3-0-0-0)	
	(No: SHERWOOD,CARDENAS,WHEELER)				
<a href="#"><u>HB 2617</u></a>	regulatory relief tax credit				
SPONSOR:	MESNARD, LD17 HOUSE				
	WM	2/16	DPA	(6-3-0-0-0)	
	(No: SHERWOOD,CARDENAS,WHEELER)				
	APPROP	2/18	DPA	(7-3-0-4-0)	
	(No: SHERWOOD,MEYER,MACH; Abs: CARDENAS,RIVERO,CLARK,UGENTI)				
<a href="#"><u>HB 2653</u></a>	tax liens; delinquency; partial payments				
SPONSOR:	OLSON, LD25 HOUSE				
	WM	2/16	DPA	(9-0-0-0-0)	



# HOUSE OF REPRESENTATIVES

HB2610

community college collegiate special plates

Sponsors: Representative Olson

---

**W/D** Committee on Transportation and Infrastructure

**DPA** Committee on Appropriations

**X** Caucus and COW

House Engrossed

---

## OVERVIEW

HB 2610 creates the Community College Collegiate Special Plates and Funds.

## HISTORY

The Arizona Department of Transportation (ADOT) Motor Vehicle Division (MVD) provides one license plate to every motor vehicle owner for each vehicle registered. Vehicle license plates display both the state name and a number assigned to the vehicle and the owner, as well as MVD issued registration stickers. In addition to standard Arizona vehicle license plates, MVD issues special license plates for a variety of causes and organizations. The fee for obtaining or renewing a special license plate is \$25. From the \$25 fee, \$8 is an administrative fee that goes to ADOT, and \$17 is used as a donation to the respective organization. The cost of each new special plate is \$32,000. The money is used for the production of the new special plate.

Currently, there are ten community college districts (districts) in Arizona: Cochise, Coconino, Graham, Maricopa, Mojave, Navajo, Pima, Pinal, Yavapai, and Yuma/La Paz. Arizona Revised Statutes § 15-1444 allows the districts to administer trusts declared or created for the district.

## PROVISIONS

1. Stipulates that each district must establish a separate Community College Collegiate Special Plates Fund for each individual community college within its district consisting of monies received from collegiate plate annual donations.
2. Requires each community college within a district to submit an approved spending plan for the monies within its fund as well as to meet the following conditions:
  - a. The money must be used to fund academic scholarships; and
  - b. The community colleges must annually report to their district the percentage of money spent on minority applicants.
3. Allows a district to delegate promotion and marketing of their special plates to a community college foundation, prohibiting the foundation from charging any additional dues, fees, or charges in connection with the plates.
4. Exempts the community college funds from the lapsing of appropriations.
5. Permits the State Treasurer to invest and divest inactive monies within the funds and credit all interest earned.

6. Requires ADOT to issue special plates for each community college and, upon request of the community college, revise the color or design of the plates.
7. Directs ADOT to transfer the collegiate plate annual donations to the district for deposit into the appropriate Community College Collegiate Special Plate Fund.
8. Makes technical and conforming changes.

#### **AMENDMENTS**

##### **Committee on Appropriations**

1. Creates one special plate per district, rather than one per community college.
2. Limits districts eligible for a special plate to those with a full time student enrollment count of over 50,000 students.



# HOUSE OF REPRESENTATIVES

HB 2670

international operations centers

Sponsors: Representatives Gowan, Livingston, Montenegro, et al.

---

**DPA** Committee on Appropriations

**X** Caucus and COW

House Engrossed

---

## OVERVIEW

Allows utility relief for the owner or operator of a certified international operations center that meets specific investment requirements. Modifies requirements for the tax credit for investment in new renewable energy facilities that produce energy for self-consumption (tax credit).

## HISTORY

Laws 2014, Chapter 8 creates individual and corporate tax credits for investment in new renewable energy facilities that produce energy for self-consumption if the power will be used primarily for manufacturing. To qualify, a taxpayer must invest at least \$300 million in new renewable energy facilities that produce energy using renewable energy resources, with the power being used primarily for manufacturing and at least 90% of the energy produced at each facility used for self-consumption in Arizona. The minimum investment must be completed within a three-year period beginning on the date the application is received or December 31, 2017, whichever is earlier.

The tax credit is capped at \$1 million per year for five years for each renewable energy facility; the maximum tax credit allowed per taxpayer per year is \$5 million. A tax credit may not be claimed for any taxable year after 2025, with the exception of allowable carryovers. The taxpayer must apply to the Department of Revenue (DOR) for certification of the credit, which is allocated on a first come, first served basis. DOR is prohibited from authorizing tax credits that exceed in the aggregate a total of \$10 million for any calendar year.

## PROVISIONS

1. Allows, beginning July 1, 2015, utility relief for the owner or operator of a certified international operations center. *Utility relief* is defined as the reduced economic burden of the Transaction Privilege Tax (TPT), use tax or municipal tax that is provided to a retail purchaser of electricity or natural gas. *International operations center* is defined as a facility that is subject to investment thresholds and self-consumes renewable energy from a qualified facility.

### *International Operations Center Certification*

2. Requires the owner or operator to submit an application with specific details to the Arizona Commerce Authority (ACA) to qualify for utility relief and receive certification.
3. Requires the ACA to review a complete and correct application within 60 days after receipt and either issue a written certification that the international operations center qualifies for the utility relief or provide written reasons for its denial.

4. Stipulates that a failure to approve the application within 60 days of its submittal constitutes certification, and requires the ACA to issue the written certification to the owner or operator within 14 days.
5. Requires the ACA to send a copy of the certification to DOR.
6. Requires the owner or operator to achieve both of the following investment requirements after taking into account the combined investments made by the owner or operator:
  - a. A minimum annual investment of \$100 million in new capital assets, including cost of land, buildings and equipment, in each of 10 consecutive taxable years of the owner or operator;
  - b. A minimum investment of at least \$1.25 billion in new capital assets, including cost of land, buildings and equipment, on or before the tenth anniversary of certification.
7. Allows any investments greater than \$100 million in any taxable year to be carried forward as a credit toward the investment requirement in future years.
8. Requires the owner or operator to furnish written information demonstrating whether the certified international operations center has or has not satisfied the investment requirements within 30 days after the end of each tax year and the tenth anniversary of certification.
9. Requires the owner or operator to keep detailed records of all capital investment and all directly received utility relief until the investment requirements are met.
10. Allows the ACA to revoke certification and notify DOR in writing if the ACA determines that certification requirements have not been satisfied.
11. Permits the owner or operator to appeal a revocation of certification.
12. Allows the ACA to give special consideration or a temporary exception from certification revocation if there is extraordinary hardship due to factors beyond the owner or operator's control.
13. Directs DOR to order the owner or operator to forfeit further entitlement to utility relief if certification is revoked.
14. Allows, if the minimum annual capital investment requirement is not met, the owner or operator to avoid revocation of certification by paying DOR the amount of utility relief provided that year within 60 days following the end of the taxable year.
15. Requires the ACA and DOR to prescribe forms and procedures as necessary to provide for certification requirements.
16. Prescribes that proprietary business information contained in the application form and the written notice are confidential and prohibited from being disclosed to the public, with the exception that the information must be transmitted to DOR.
17. Permits the ACA and DOR to disclose the name of a certified international operations center.
18. Specifies that an international operations center remains certified regardless of a future transfer, sale or direct or indirect disposition, unless the international operations center fails to meet certification requirements.
19. Allows an owner or operator to be a single entity or affiliated entities.

#### *Utility Relief*

20. Exempts, from the utilities TPT classification, gross proceeds of sales or gross income derived from sales of electricity or natural gas to a business that operates a certified international operations center.
21. Specifies that use tax does not apply to the purchase price of electricity or natural gas by a certified international operations center.
22. Specifies that businesses that operate a certified international operations center may be exempt from municipal tax pertaining to the sale of electricity or natural gas.

*Tax Credit for Renewable Energy Investment and Production for Self-Consumption*

23. Allows power used for an international operations center to qualify for an individual or corporate tax credit for renewable energy investment and production for self-consumption (tax credit).
24. Applies tax credit application and reporting procedures to those who qualify with the requirement that the international operations center certification from the ACA be submitted each year after initial preapproval.
25. Stipulates that a taxpayer is eligible for the tax credit if power generated by the renewable energy facility is used in the certified international operations center and the following apply:
  - a. The taxpayer invests at least \$100 million in a new renewable energy facility in Arizona that produces energy for self-consumption using renewable energy resources. Requires the minimum investment to be completed within a three-year period beginning on the date the initial application is received or December 31, 2018, whichever arrives first.
  - b. A portion of the energy produced at the renewable energy facility is used for self-consumption in Arizona. Requires at least 51% of energy produced to be used for self-consumption in Arizona by the fifth year the renewable energy facility is in operation.
  - c. The power used for self-consumption is used primarily for an international operations center. Stipulates that a lessor of an international operations center facility that uses power for self-consumption satisfies this requirement if the lessee is an international operations center and the power is transferred as part of the lease to the lessee.
26. Specifies that self-consumption includes the power used by related entities if they are directly or indirectly under the same ownership interests that collectively own more than 50%.
27. Qualifies power that a renewable energy facility transfers to a utility as self-consumption if the power is transferred back to the owner of the renewable energy facility for use in the owner's international operations center.
28. Increases the tax credit from \$1 million to \$5 million per year for five years for each renewable energy facility.
29. Specifies that the maximum tax credit allowed per taxpayer per year is \$5 million *regardless* of whether the taxpayer is comprised of a single entity or multiple affiliated entities.
30. Requires the taxpayer, if the taxpayer is an owner or operator of an international operations center, to submit additional evidence to DOR within 60 days after the end of the fifth year of operation of the facility that the energy portion requirements for the tax credit have been met.
31. Stipulates that a taxpayer must cease claiming tax credits if the ACA certification, for international operations centers, has been revoked or if the facility fails to achieve final certification.
32. Requires DOR to recapture the amount of all tax credits claimed if the taxpayer fails to meet requirements. Current law requires the taxpayer to recapture any tax credits already claimed.

33. Requires, if the recapture is due to an international operations center's certification being revoked, the tax credits to be recaptured in inverse proportion to the total capital investment made in the international operations center divided by \$1.25 billion.
34. Permits DOR to give special consideration or allow a temporary exemption from recapture if there is extraordinary hardship due to factors beyond the taxpayer's control.
35. Makes technical and conforming changes.

#### **AMENDMENTS**

##### **Committee on Appropriations**

1. Caps the amount of total aggregate tax credit an international operations center may claim at \$25 million.
2. Contains a retroactive effective date of January 1, 2015, for tax credit provisions.
3. Contains an effective date of the first day of the month after the general effective date for utility relief provisions.
4. Makes various technical and conforming changes.





# HOUSE OF REPRESENTATIVES

HB 2162

~~fire suppression; federal reimbursement~~

NOW: rural fire district; study committee.

Sponsors: Representatives Coleman: Ackerley, Brophy McGee, et al.

---

**DPA** Committee on Agriculture, Water and Lands

**W/D** Committee on Appropriations

**X** Caucus and COW

House Engrossed

---

## **OVERVIEW**

HB 2162 authorizes the use of Budget Stabilization Fund (BSF) monies in amounts sufficient to pay claims for reimbursement of fire suppression services; requires the state forester to pay fire suppression claims if the federal government does not pay within 30 days; and requires the holder of a federal claim that received money from the state to reimburse the state within 30 days after receiving payment from the federal government.

## **Summary of the Proposed Strike-Everything Amendment to HB 2162**

The proposed strike-everything amendment to HB 2162 establishes the Joint Legislative Study Committee on Rural Area Fire District Funding and Taxation (Committee).

## **HISTORY**

Counties are not statutorily authorized to provide fire or emergency medical services; therefore they must seek fire protection and medical services from other sources. Some form districts and other counties or county islands contract with a private provider through community associations. Districts are political subdivisions of the state that are responsible for providing fire services within a specified area and are funded by self-taxation of the residents and businesses under the jurisdiction of the district.

## **PROVISIONS**

1. Establishes the Committee consisting of:

A. Members appointed by the President of the Senate:

- a) Three members of the Senate, not more than two from the same political party;
- b) A person who is elected to a fire district board in a county with population of 500,000 people or more;
- c) A representative of a city or town whose fire emergency medical services are provided by a fire district; and
- d) A representative of an association of fire districts that represents elected fire district board members.

B. Members appointed by the Speaker of the House of Representatives:

- a) Three members of the House of Representatives, not more than two from the same political party;
- b) A person who is elected to a fire district board in a county with population of less than 500,000 people; and

- c) A representative of an association of counties that represents county boards of supervisors.
- 2. Requires the members of the Committee to select a chairperson.
- 3. Directs the Committee to consider the level of fire safety services provided to rural areas by fire districts and departments and review taxation levels in various counties.
- 4. Instructs the Committee to submit a report of their findings and any recommendations prior to December 16, 2015 to the Legislature, and the Governor and provide a copy to the Secretary of the State.
- 5. Repeals the Committee on January 1, 2016.

#### **AMENDMENTS**

##### **Committee on Agriculture, Water and Lands**

The proposed strike-everything amendment was adopted.



# HOUSE OF REPRESENTATIVES

HB 2485

tax lien foreclosures; subdivisions; exemption

Sponsor: Representative Shope

---

**DP** Committee on Agriculture, Water and Lands

**X** Caucus and COW

House Engrossed

---

## OVERVIEW

HB 2485 excludes the sale of lots, parcels or fractional interests from the statutory requirements of subdividing lands if they are a result of a foreclosure of the right to redeem.

## HISTORY

The Arizona Department of Real Estate (ADRE) regulates and provides oversight of real estate agents and brokers; real estate educators and schools; residential developments; timeshares; cemeteries; and membership campgrounds. ADRE establishes and enforces minimum requirements for licensure; approves real estate schools and their instructors; monitors and approves pertinent education courses; issues public reports (Disclosure Report) for residential subdivision developments; investigates complaints; enforces disciplinary action for violations of real estate law; provides public information on licensees, companies and developments.

Arizona Revised Statutes (A.R.S.) § 32-2181 prescribes the disclosure of information in the public report that is submitted to the commissioner with an application and fee. The Disclosure Report includes 25 varying items of information such as identifying information of the subdivider; legal description of the land; title condition, including all encumbrances; subdivision map; any indebtedness; amenities and improvements, such as roads, utilities, community or recreational facilities; total amount of annual taxes, special assessments and any other fees, among others.

## PROVISIONS

1. Excludes the sale of lots, parcels or fractional interests from the statutory requirements of subdividing lands if they are a result of a foreclosure of the right to redeem.
2. Makes technical changes.



# HOUSE OF REPRESENTATIVES

HB 2599

water supply development fund; committee.

Sponsor: Representative Borrelli

---

**DP** Committee on Agriculture, Water and Lands

**X** Caucus and COW

House Engrossed

---

## OVERVIEW

HB 2599 changes the population requirement for a Governor-appointed member of the Water Supply Development Fund Committee (Committee).

## HISTORY

Arizona Revised Statutes § 49-1202 established the Water Infrastructure Finance Authority of Arizona (WIFA), which finances drinking water and wastewater infrastructure projects for communities throughout Arizona. WIFA administers the Clean Water Revolving Fund and the Drinking Water Revolving Fund programs. The Clean Water Revolving Fund program provides below market interest rate loans for the planning, engineering, constructing, upgrading and/or equipping of publicly owned wastewater and water reclamation projects. The program also provides hardship grants rather than loans for disadvantaged communities designated by WIFA.

The Drinking Water Revolving Fund program provides below market interest rate loans for the planning, engineering, constructing, upgrading and/or equipping of public and private drinking water system facilities.

Laws 2007, Chapter 226 established the Water Supply Development Revolving Fund and the Committee to assist communities in Arizona to identify and develop long-term reliable water supplies. Statute designates the Director of the Department of Water Resources (DWR) as chairman and the Director of the Department of Environmental Quality (DEQ) as vice-chairman of the Committee. Additionally, the Committee consists of the Chairman of the Arizona Corporation Commission, the State Treasurer and nine members from municipalities and counties who are appointed by the Governor based on population as well as one tribal member. Each of the appointed members will serve five-year staggered terms.

## PROVISIONS

1. Changes the population requirement for the Governor-appointed member representing a municipality in a county of less than 500,000 by requiring this member to be from a municipality of less than 75,000 persons, rather than 50,000 persons.



# HOUSE OF REPRESENTATIVES

HB 2658

federal lands; transfer; study committee

Sponsors: Representatives Barton, Gray, Thorpe, et al.

---

**DPA** Committee on Agriculture, Water and Lands

**X** Caucus and COW

House Engrossed

---

## OVERVIEW

HB 2658 establishes the Transfer of Federal Lands Study Committee (Committee).

## HISTORY

A 2012 study conducted by the Congressional Research Service (CRS) determined that the federal government owns title to around 635-640 million acres of land in the United States, and of that estimate, 609 million acres are managed by four federal agencies: the United States Forest Service; the National Park Service; the Bureau of Land Management; and the Fish and Wildlife Service (CRS Report (Report) R42436). According to the Report, 30,741,287 acres (42.3% of land) in Arizona are owned and managed by the federal government.

County governments that contain federal land within its boundaries are compensated by the federal government to provide services such as fire protection and police services. Since these lands cannot be taxed and reduce the property tax base to the county, the United States Department of Interior administers the Payments in Lieu of Taxes (PILT) program that compensates county governments for these services (31 U.S.C. § 6901-6907). The amount of PILT payment a county government may receive is calculated by a complex formula determined by five factors: the number of acres eligible for PILT payments; the county's population; payments in prior years from other specified federal land payment programs; state laws directing payments to a particular government purpose; and the Consumer Price Index as calculated by the Bureau of Labor Statistics.

## PROVISIONS

1. Establishes the Committee composed of:
  - a. The chairperson and vice chairperson of the House of Representatives Committee on Agriculture, Water and Lands, or its successor committee;
  - b. The chairperson and vice chairperson of the Senate Committee on Natural Resources, or its successor committee; and
  - c. One member of the public who is appointed by the Governor.
2. Stipulates that the Committee is required to examine processes to transfer, manage and dispose of federal lands within Arizona.
3. Requires the Committee to:
  - a. Conduct hearings to collect, evaluate and analyze information relating to federal lands in Arizona to identify significant concerns, risks, solutions and goals associated with:
  - b. Environmental quality;

- c. Economic productivity and sustainability;
  - d. Public health, safety and welfare;
  - e. Consistency with state and local objectives;
  - f. Ownership and jurisdictional responsibilities; and
  - g. Other aspects considered appropriate by the transfer of federal lands committee.
- B. Survey the county board of supervisors of counties that contain at least 15% land area under the management of federal agencies.
  - C. Develop management priorities for public lands received from the federal government for this state and local jurisdictions.
  - D. Identify measures that will ensure that public lands in this state are managed responsibly and prudently.
  - E. Develop processes for Arizona to receive title to public lands from the federal government and transfer title to the public lands received from the federal government.
  - F. Investigate lawful mechanisms, including actions implemented in other states that may aid in achieving these goals.
  - G. Submit a report regarding the Committee's activities, findings and recommendations to the Governor, the Legislature and the Secretary of the State prior to January 1, 2017.
- 4. Repeals the Committee on October 1, 2017.

#### **AMENDMENTS**

##### **Committee on Agriculture, Water and Lands**

- 1. Extends the date the Committee is required to submit a report, from January 1, 2017 to January 1, 2020.
- 2. Changes the repeal date of the Committee in to October 1, 2020.



# HOUSE OF REPRESENTATIVES

## HB 2220

security freezes; credit reports; minors.

Sponsors: Representatives Cobb: Borrelli, Campbell, et al.

---

DPA/SE Committee on Banking and Financial Services

X Caucus and COW

House Engrossed

---

### OVERVIEW

HB 2220 allows a parent to request a security freeze to be placed on the credit report of the parent's minor child.

### Summary of the Proposed Strike-Everything Amendment to HB 2220

The proposed strike-everything amendment to HB 2220 enables a protected consumer's representative to request a security freeze to be placed on a protected consumer's record or credit report.

### HISTORY

Arizona Revised Statutes (A.R.S.), Title 44, Chapter 11, Article 6 provides authorization for *consumer reporting agencies* (CRA) to furnish a consumer report under defined circumstances and outlines the procedures and requirements for placing a security freeze on a consumer's credit report. Pursuant to A.R.S. § 44-1698, a consumer may request that a CRA place a security freeze on the consumer's credit report. A security freeze prevents credit bureaus from releasing credit information without the consumer's express permission. Statute allows a CRA to charge the consumer a \$5 fee to place a security freeze on the credit report, unless the consumer provides a police report that alleges the consumer is a victim of identity theft.

Statute defines *CRA* as any person which, for monetary fees, dues, or on a cooperative nonprofit basis, regularly engages in whole or in part in the practice of assembling or evaluating consumer credit information on consumers for the purpose of furnishing consumer reports to third parties.

A *consumer report* is any written, oral, or other communication of any information by a CRA bearing on a consumer's credit worthiness, credit standing, credit capacity, character, or mode of living which is used or collected in whole or in part for the purpose of serving as a factor in establishing the consumer's eligibility for credit or insurance, employment, or other purposes as authorized in statute.

According to the Office of the Attorney General, in 2013, 6% of the identity theft reports on Consumer Sentinel were for consumers age 19 and under. Per the Consumer Sentinel Network Data Book for 2013, Arizona had the 7<sup>th</sup> highest number of identity theft complaints with 6,043 of the 290,056 identity theft complaints filed.

### PROVISIONS

1. Stipulates a CRA to place a security freeze on a protected consumer's record or credit report if certain requirements are met.

2. Directs a CRA to create a record for the protected consumer if no record currently exists.
3. Requires a CRA to place a security freeze on the protected consumer's record or credit report within 30 days of receiving a request.
4. Prohibits the CRA from releasing any information derived from the consumer's credit report, unless the security freeze has been removed.
5. States the security freeze remains in effect until either:
  - a. The protected consumer or the protected consumer's representative requests to have the security freeze removed; or
  - b. The CRA removes the security freeze as authorized by statute.
6. Outlines the procedure and requirements to remove a security freeze for a protected consumer.
7. Requires a CRA to remove a security freeze within 30 days after receiving a request for removal.
8. Allows a CRA to charge a fee of up to \$20 dollars for each placement or removal of a security freeze, with the following exceptions:
  - a. The protected consumer's representative provides a police report alleging that the protected consumer is a victim of identity theft;
  - b. The protected consumer is under the age of 16 and the CRA has a credit report pertaining to the protected consumer.
9. Authorizes the CRA to remove a security freeze or delete a protected consumer's record if established on a material misrepresentation of fact by the protected consumer or the protected consumer's representative.
10. Directs the attorney general to enforce the provisions of this act.
11. Delineates the conditions in which the security freeze does not apply.
12. Defines pertinent terms.
13. Contains a delayed effective date of January 1, 2016.





# HOUSE OF REPRESENTATIVES

HB 2323

Arizona job finance bonds

Sponsors: Representatives Weninger: Brophy McGee, Pratt, et al.

---

DPA/SE Committee on Banking and Financial Services

X Caucus and COW

House Engrossed

---

## OVERVIEW

HB 2264 enables Industrial Development Authorities (IDA) to issue bonds to finance certain projects that create full-time private sector employment.

### Summary of the Proposed Strike-Everything Amendment to HB 2323

The proposed strike-everything amendment HB 2323 modifies the definition of *project*.

## HISTORY

Title 35, Chapter 5 authorizes municipalities and counties to cause the formation of an IDA upon approval of their governing body. IDAs are political subdivisions of the state. IDAs are authorized to issue revenue bonds and to use the proceeds from the sale of the bonds to finance certain types of projects. Arizona Revised Statutes (A.R.S.) § 35-701 enumerates qualified projects which include, manufacturing facilities, health care institutions, convention facilities, industrial park facilities, and any facilities owned by a nonprofit organization.

Prior to issuance of a bond, statute requires the governing body of an IDA to approve the proceedings under which the bonds are to be issued. Additionally, the IDA is required to notify the attorney general of the intention to issue a bond. The attorney general has 10 days to deny the issuance of the bond after which the IDA may issue the bond (A.R.S. § 35-721).

## PROVISIONS

1. Modifies the definition of *project*
  - a. Removes items relating to:
    - i. Any enterprise for the manufacturing, processing or assembling of any agricultural or manufactured products.
    - ii. Any commercial enterprise for the storing, warehousing, distributing, or selling of products of agriculture or mining.
    - iii. Any office building for use as corporate or company headquarters.
  - b. Clarifies any commercial enterprises, including facilities for manufacturing, office, recreational, hotel, motel and service uses.
2. Deletes the definition of *designated area*.
3. Requires the IDA to notify the respective governing body of any lawsuits filed against the IDA or any Securities and Exchange Commission (SEC) investigations initiated against the IDA.
4. Makes technical and conforming changes.

## **AMENDMENTS**

### **Committee on Banking and Financial Services**

1. Adopted the strike-everything amendment.
2. Reinstates items (i) and (ii) within the definition of *project*.
3. Makes clarifications to the notification requirement regarding lawsuits and SEC investigations.



# HOUSE OF REPRESENTATIVES

HB 2416

annual report; licensee; filing extension

Sponsor: Representative Stevens

---

**DP** Committee on Banking and Financial Services

**X** Caucus and COW

House Engrossed

---

## **OVERVIEW**

HB 2416 increases the time a consumer lender has to file an annual report to not more than 70 days.

## **HISTORY**

The Arizona Department of Financial Institutions (DFI) was established in 1973 and is responsible for licensing, examining, and supervising financial institutions and enterprises in compliance with state laws that are designed to protect consumers, prevent financial crime, and help ensure sound business operations.

Arizona Revised Statutes § 6-608 requires consumer lenders to submit a report by October 1 of each year to the superintendent of DFI concerning the business and operations of the prior fiscal year. The superintendent may extend the time for filing the report for a period of not more than 60 days.

## **PROVISIONS**

1. Increases the time the superintendent may extend to file an annual report from not more than 60 days to not more than 70 days.



# HOUSE OF REPRESENTATIVES

HB 2024

technical correction; health services; fees

Sponsor: Representative Brophy McGee

---

**DPA/SE** Committee on Children and Family Affairs

**X** Caucus and COW

House Engrossed

---

## OVERVIEW

HB 2024 makes technical corrections.

### Summary of the Proposed Strike-Everything Amendment to HB 2024

The proposed strike-everything amendment to HB 2024 extends the Child Safety Oversight Committee (Committee) through December 31, 2016 and makes changes to the Committee membership.

## HISTORY

Laws 2012, Chapter 50 established the Committee and outlined the Committee's powers and duties. The duties of the Committee are to: identify the responsibilities and scope of DCS, its statutory mandates, policies and procedures; identify areas for statutory improvement in the child safety system and recommend statutory and administrative changes; monitor DCS program effectiveness and recommend any statutory efficiencies that further the purpose to protect children; make recommendations on the membership and duties of any future legislative committee to oversee DCS; submit a report on or before December 15, 2015 to the Speaker of the Arizona House of Representatives, the President of the Arizona Senate and the Arizona Secretary of State, containing its findings and recommendations

## PROVISIONS

1. Extends the Committee through December 31, 2016.
2. Changes the report date to December 15, 2016
3. Makes changes to the membership of the Committee.

## AMENDMENTS

### **Committee on Children and Family Affairs**

1. The proposed strike-everything amendment was adopted.



# HOUSE OF REPRESENTATIVES

## HB 2047

child removal; supervisor review; approval

Sponsors: Representatives Townsend; Finchem, Kern, et al.

---

**DPA** Committee on Children and Family Affairs

**X** Caucus and COW

House Engrossed

---

### OVERVIEW

HB 2047 specifies that the Department of Child Safety (DCS) may not remove a child from the custody of the child's parent, guardian or custodian unless the child safety worker submits the reasons for removal and supporting documentation to their supervisor and the supervisor approves the removal.

### HISTORY

Arizona Revised Statutes § 8-822 requires DCS to adopt rules and establish clear policies and procedures to determine the circumstances under which it is appropriate to remove a child from the custody of the child's parents, guardian or custodian. DCS must immediately notify the child's parents, guardian or custodian regarding the removal of the child from home, school or child care and provide for a timely interview of the child and child's parent, guardian or custodian.

### PROVISIONS

1. Provides DCS may not remove a child from the custody of the child's parent, guardian or custodian unless both of the following occur before the removal:
  - a. The child safety worker who is recommending the removal submits the reasons for removal and supporting information to the worker's supervisor.
  - b. The worker's supervisor reviews the reasons and supporting information and approves the removal.

### Amendments

#### **Committee on Children and Family Affairs**

1. Allows a child safety worker to remove a child before notifying their supervisor if an emergency exists affecting the health or safety of a child.
2. Specifies that the child safety worker must submit the reasons for the removal and supporting information to the worker's supervisor for the supervisor's approval within two hours after the removal of the child, or if the removal occurs after regular working hours, by 8:30 a.m. the next day.



# HOUSE OF REPRESENTATIVES

HB 2099

adoption; definitions; agency records  
Sponsor: Representative Brophy McGee

---

**DP** Committee on Children and Family Affairs

**X** Caucus and COW

House Engrossed

---

## OVERVIEW

HB 2099 defines the procedures for transfer of documents when an adoption agency ceases operations.

## HISTORY

Arizona Revised Statutes (A.R.S.) Title 8, Chapter 1 outlines the laws related to adoption. A.R.S. § 8-126 specifies that the Department of Child Safety (DCS) is responsible for the licensing and regulation of adoption agencies. Currently, A.R.S. § 8-120 states all files, records, reports and other papers whether in possession of the court, an agency or any person or association are confidential. The documents may be open to inspection by persons, agencies and their attorneys who have a legitimate interest in the case, if so ordered by the court. Documents may also be available for inspection by other persons and agencies having a legitimate interest in the protection, welfare or treatment of the child. Except for files that belong to an attorney, all files, records, reports and other papers not filed in, or in the possession of the court must not be destroyed until after a 99-year period. Files that belong to an attorney must not be destroyed until after a seven-year period.

## PROVISIONS

1. Provides that if an adoption agency ceases operations, the adoption agency must do all of the following:
  - a. Transfer the documents related to an adoption to DCS or to another adoption agency in this state if the documents concern a closed matter.
  - b. Transfer the documents related to an adoption to another adoption agency in this state if the documents concern an open matter.
  - c. Notify DCS of the transfer of any documents to another adoption agency.
  - d. Notify all affected adoptive parents of the transfer.
2. Makes technical and conforming changes.



# HOUSE OF REPRESENTATIVES

## HB 2100

DCS employee personal information; confidentiality  
Sponsor: Representative Brophy McGee

---

**DP** Committee on Children and Family Affairs

**X** Caucus and COW

House Engrossed

---

### OVERVIEW

HB 2100 protects the identity of an employee of the Department of Child Safety (DCS).

### HISTORY

An eligible person in any county may request that the general public be prohibited from accessing their residential address and telephone number contained in certain documents maintained by the county recorder, county assessor and county treasurer. Statute outlines what an eligible person must include in their affidavit request for confidentiality on an application form developed by the administrative office of the courts in agreement with an association of counties, an organization of peace officers and the Motor Vehicle Division of the Arizona Department of Transportation (ADOT) (A.R.S. §§ 11-483 and 11-484).

Eligible person is currently defined as former public official, peace officer, spouse of a peace officer, spouse or minor child of a deceased peace officer, justice, judge, commissioner, public defender, prosecutor, code enforcement officer, adult or juvenile corrections officer, corrections support staff member, probation officer, member of the Board of Executive Clemency, law enforcement support staff member, national guard member when acting in support of a law enforcement agency, a person who is protected under an order of protection or injunction against harassment, a participant in the Address Confidentiality Program or a firefighter assigned to the Arizona Counterterrorism Center (A.R.S. §§ 11-483 and 11-484).

### PROVISIONS

1. States that DCS or a person who receives DCS information must provide that information to law enforcement and a court to protect the safety of a DCS employee, Office of the Attorney General employee or to protect a family member of the employee.
2. Requires a person who receives DCS information to maintain the confidentiality of the information and prohibits the disclosure of the information unless authorized by law or a court order.
3. Includes DCS employees in the confidentiality statutes related to the county recorder, county assessor, county treasurer, voter registration, ADOT and state and local governmental personnel files.
4. States it is unlawful for a person to knowingly make available on the worldwide web the personal information of an employee of DCS.
5. Imposes a Class 6 felony on a person who is employed by a state or local governmental entity and who knowingly releases the home address or home telephone number of an

eligible person with the intent to hinder an investigation, cause physical injury to an eligible person or the eligible person's immediate family or cause damage to the property of an eligible person or their immediate family.





# HOUSE OF REPRESENTATIVES

## HB 2101

tribal social services agencies; information  
Sponsor: Representative Brophy McGee

---

**DP** Committee on Children and Family Affairs

**X** Caucus and COW

House Engrossed

---

### OVERVIEW

HB 2101 expands the duty to report abuse or neglect to include reporting to a tribal law enforcement or social service agency for any Indian minor who lives on a reservation. Further, HB 2101 gives tribal social service agencies access to the Central State Repository (Repository) or the Arizona Criminal Justice Information System (ACJIS), for specified purposes.

### HISTORY

Arizona Revised Statutes (A.R.S.) § 13-3620 requires that any person who reasonably believes that a minor is or has been a victim of physical injury, abuse, child abuse, a reportable offense or neglect must immediately report this information to a peace officer or to the Arizona Department of Child Safety (DCS). If the report concerns a person who does not have care, custody or control of the minor, the report must be made only to a peace officer. Persons required to report include medical practitioners, any peace officer, child welfare investigator, child safety worker, member of the clergy, priest or Christian science practitioner, the parent, stepparent or guardian of the minor, school personnel or domestic violence advocates and any other person who has responsibility for the care or treatment of the minor.

A.R.S. § 41-1750 mandates that the Arizona Department of Public Safety (DPS) is responsible for the operation of the Repository in order to collect, store and disseminate complete and accurate Arizona criminal history records and related criminal justice information. Statute authorizes the director of DPS to exchange criminal justice information between the Repository or through the ADCIS to various state and federal agencies and authorized individuals.

### PROVISIONS

1. Expands the duty to report abuse or neglect to include reporting to a tribal law enforcement or social service agency for any Indian minor who lives on a reservation.
2. Gives tribal social service agencies access to the Repository or ACJIS on the submission of a fingerprint card to provide criminal history record information on prospective adoptive parents.
3. Authorizes tribal social service agencies to access the Repository or ACJIS for the purpose of evaluating the fitness of custodians or prospective custodians of juveniles.
4. Allows tribal social service agencies to access the Repository or ACJIS for the purposes of investigating or responding to reports of child abuse, neglect or exploitation.
5. Makes technical changes.



# HOUSE OF REPRESENTATIVES

HB 2418

shelter programs; report; submission date

Sponsor: Representative Stevens

---

**DP** Committee on Children and Family Affairs

**X** Caucus and COW

House Engrossed

---

## OVERVIEW

HB 2418 modifies the due date for the annual Shelter Program Report (Report).

## HISTORY

Arizona Revised Statutes § 36-3007 requires the Arizona Department of Economic Security (ADES) to file an annual Report on shelters for victims of domestic violence with the governor, the Speaker of the Arizona House of Representatives and the President of the Arizona Senate on or before October 1. The Report must include the population served, the services provided and the unmet needs of persons who receive services from a shelter program that receives funding. Information contained in the report must not identify any person served by a shelter or enable any person to determine the identity of any person.

## PROVISIONS

1. Modifies the due date for the Report from October 1 to November 1.



# HOUSE OF REPRESENTATIVES

HB 2563

health facilities; substance abuse recovery

Sponsors: Representatives Campbell, Borrelli, Fann, et al.

---

**DP** Committee on Children and Family Affairs

**X** Caucus and COW

House Engrossed

---

## OVERVIEW

HB 2563 redefines terms related to health care institutions subject to licensure by ADHS.

## HISTORY

Laws 1973, Chapter 158, established the Arizona Department of Health Services (ADHS). The mission of ADHS is to utilize direct care, science, public policy and leadership to set the standard for personal and community health. The governor appoints the director of ADHS who is responsible for the direction, operation and control of the department. ADHS consists of several divisions including the Division of Behavioral Health Services, the Division of Public Health Services and the Division of Licensing Services (Division). The Division licenses and monitors health, child care facilities and providers throughout Arizona. Licensing inspections, on-site surveys and complaint investigations are conducted to promote quality care and safety and ensure performance standards are met for facility operation and maintenance.

Arizona Revised Statutes (A.R.S.) § § 36-401 and 36-402 provides definitions for terms relating to health care institutions subject to licensure by ADHS and outlines facilities that are exempt from ADHS licensure, supervision, regulation or control.

## PROVISIONS

1. Redefines *facilities* to include *any residential property that is owned or operated by, or affiliated with, a health care institution even if services are not offered at those locations.*
2. Expands the definitions of *inpatient* or *resident beds*, and *personal care services* to include *substance abuse recovery support.*
3. Includes in the definition of *supervisory care*, *substance abuse counseling and support.*
4. Exempts community education, advocacy or recovery support groups that are not owned or operated by or contracted to provide services with a health care institution *and that do not provide inpatient beds* from licensure, supervision, regulation or control by ADHS.
5. Exempts ADHS, for purposes related to this act, from the rulemaking requirements for one year after the effective date of this act.
6. Makes technical changes.



# HOUSE OF REPRESENTATIVES

HB 2571

DCS information; legislator discussion

Sponsors: Representatives Townsend, Borrelli; Ackerley, et al.

---

**DPA** Committee on Children and Family Affairs

**X** Caucus and COW

House Engrossed

---

## OVERVIEW

HB 2571 allows legislators to discuss DCS information with each other if all have signed a confidentiality form.

## HISTORY

Arizona Revised Statutes § 8-807, in part, governs the release of specific DCS information in certain circumstances to designated entities or persons. Statute requires DCS to promptly provide information to the public regarding a case of child abuse, abandonment or neglect that has resulted in a fatality or near fatality. Information required at minimum includes the child and perpetrator's name, age, location of residence, the child's history involving DCS, a synopsis of previous cases if applicable and the action taken by DCS. A person may request additional information from DCS relating to a fatality or near fatality and DCS must provide the information. However, DCS must first notify the county attorney of the decision to release the information and the county attorney must promptly inform DCS if the release of information will interfere with an investigation.

In order to provide oversight of DCS, access to DCS information must be provided to the following persons if the information is necessary for the person to perform their duties: federal or state auditors; persons conducting any accreditation deemed necessary by DCS; a standing committee of the legislature or committee appointed by the president of the Senate and the speaker of the House or Representatives for purposes of conducting investigations related to legislative oversight of DCS; a legislator; or a citizens review panel. A legislator must sign a form, before reviewing a file that outlines the confidentiality laws governing DCS files and penalties for further release of the information.

## PROVISIONS

1. Allows legislators to discuss DCS information with each other if all have signed a confidentiality form.

## Amendments

### **Committee on Children and Family Services**

1. Allows legislators to discuss DCS information with each other if all have signed a confidentiality form *in regard to the specific file that will be discussed.*



# HOUSE OF REPRESENTATIVES

HB 2063

cities and towns; technical correction

Sponsor: Representative Coleman

---

**DPA/SE** Committee on County and Municipal Affairs

**X** Caucus and COW

House Engrossed

---

## OVERVIEW

HB 2063 makes technical changes.

## SUMMARY OF THE PROPOSED STRIKE-EVERYTHING AMENDMENT TO HB 2063

The proposed strike-everything amendment to HB 2063 removes language that limits a county board of supervisors (BOS) in regards to their county employee merit system (merit system).

## HISTORY

Arizona Revised Statutes § 11-352 allows any county to adopt a limited merit system for all county appointed officers and employees by resolution of the BOS. Statute prohibits the inclusion of elected officers into this merit system. Currently, any county may remove certain administrative positions from the merit system by resolution of the BOS.

The positions that may currently be removed are as follows:

- County manager.
- Deputy county manager.
- Assistant county manager.
- Chief deputies to election officials.
- Department directors.
- Deputy directors, not to exceed three in each department.
- One position in each department that reports directly to the director or deputy director as designated.
- An administrative position declared exempt after August 8, 1985. The number of exempted positions cannot exceed 10% of the total number of county appointed officers and employees.

Statute allows any employee who was included as a covered employee in the merit system at the time the employee assumed their present position and whose position becomes exempt to remain included under the merit system. If the employee is terminated they must be afforded the opportunity to accept another vacant position within the merit system for which they are qualified.

## PROVISIONS

1. Strikes language limiting who the BOS may remove from the merit system.
2. Removes the requirement to maintain previously covered employees in the merit system if they assume a new position that is exempt or are terminated.
3. Makes technical and conforming changes.



# HOUSE OF REPRESENTATIVES

HB 2095

job-order-contracting; bond; waiver  
Sponsor: Representative Coleman

---

**DPA** Committee on County and Municipal Affairs

**X** Caucus and COW

House Engrossed

---

## OVERVIEW

HB 2095 allows a job-order-contracting (JOC) performance bond to be waived if the construction amount does not exceed \$500,000.

## HISTORY

Arizona Revised Statutes (A.R.S.) § 34-222 stipulates that before any contract is executed with any person for the construction, alteration or repair of any public building, a public work or local jurisdiction improvement, unless specifically exempted in statute, the person must provide the agent with the following bonds, which shall become binding upon the award of the contract to such person:

- A performance bond in an amount equal to the full contract. This bond acts solely for the protection of the public body awarding the contract; and
- A payment bond in an amount equal to the full contract amount solely for the protection of the claimants supplying labor or materials.

Any person or firm conducting JOC construction services must furnish performance bonds to the agent entering into the contract before execution of any contract. Performance bonds for JOC construction services must cover the full amount of construction under the JOC contract, but design, preconstruction, finance, maintenance, operations or other related services are not included in the contract. The performance bond can be a single bond for the full term of the contract, a separate bond for each year of a multiyear contract, or a separate bond for each job order, as determined by the agent. If it is a single bond for the full term of the contract or a separate bond for each year of a multiyear contract, it is initially based on the agent's estimate of likely services to be done within the term (A.R.S. §§ 34-610 and 41-2574).

A.R.S. § 34-101 defines *agent* as any county, municipality or officer, board or commission of a county or municipality, various special taxing districts, any county board of supervisors and any agent's authorized representative.

Statute also defines *job-order-contracting* as a project delivery method in which the contract is a requirements contract for indefinite quantities of construction, the construction to be performed is specified in job orders issued during the contract, or services related to finance, maintenance, operations, preconstruction and design may be included (A.R.S. § 34-101).

## PROVISIONS

1. Allows a contracting or purchasing agent to waive the statutory performance bond if the construction amount of the JOC service does not exceed \$500,000, including change orders.

2. Makes technical changes.

#### **AMENDMENTS**

##### **Committee on County and Municipal Affairs**

1. Broadens who can waive the bond for state agencies from the purchasing agent to the procurement officer.
2. Decreases the threshold amount for construction services from \$500,000 to \$200,000.
3. Clarifies the bond being waived is for *each individual project* under the contract.



# HOUSE OF REPRESENTATIVES

HB 2005

technical correction; unordered merchandise

Sponsor: Representative Petersen

---

**DPA**

**S/E** Committee on Commerce

**X** Caucus and COW

House Engrossed

---

## OVERVIEW

HB 2005 makes a technical correction.

## Summary of the Strike-Everything Amendment to HB 2005

### HISTORY

A fire apparatus access road (Road) provides access for fire equipment from a fire station to a facility, building or portion of a building. The International Fire Code (I.F.C.) requires a Road for every facility, building or portion of a building located within a jurisdiction. The Road must extend to within 150 feet of all portions of a facility and all portions of the exterior walls of the first story of a building as measured by an approved route around the building or facility. I.F.C. 503.1.1 allows the local fire code official to increase the 150 feet threshold where buildings have installed approved and automated sprinkler systems.

Arizona Revised Statutes § 9-808 and § 11-861 prohibit municipalities and counties from adopting fire codes, ordinances, stipulations or other legal requirements for an approved Road or extension thereof that requires a one or two family residence or a miscellaneous accessory building to install fire sprinklers. Current statute authorizes a fire code official to increase or extend an approved Road, route or extension to comply with these sections, and asserts that compliance may not be grounds to deny or suspend a license or permit.

### PROVISIONS

1. Stipulates that the sections prohibiting counties and municipalities from adopting legal requirements for approved Roads that require fire sprinklers in one or two family residences may be enforced in a private civil action and that relief may be awarded against a county or municipality.
2. Requires the court to award reasonable attorney fees, damages, lost opportunity costs, interest and the cost of the sprinkler system to the prevailing party in an action against a county or municipality for a violation of the sections prohibiting counties and municipalities from requiring fire sprinklers for one or two family residences.
3. Asserts that property rights are a matter of statewide concern and that the provisions relating to a property owner's rights supersede any regulation adopted by a county or municipality.
4. Makes technical and conforming changes.

### AMENDMENTS

**Committee on Commerce**



The strike-everything amendment was adopted.



# HOUSE OF REPRESENTATIVES

## HB 2336

contract progress payments; design professionals

Sponsor: Representative Fann

---

**DPA** Committee on Commerce

**X** Caucus and COW

House Engrossed

---

### OVERVIEW

HB 2336 establishes prompt payment requirements for *design professionals* who perform architectural, engineering, geological, landscape and survey work on construction projects.

### HISTORY

The *Arizona Prompt Payment Act* prescribes the contractual rights and obligations of both the owner and the contractor in construction projects. Arizona Revised Statutes (A.R.S.) Title 32, Sections §1129.01 through §1129.07 states the homeowner must make prompt and timely progress payments to the contractors, subcontractors and material suppliers according to the provisions of the contract. Progress payments are made in 30-day billing cycles, or as otherwise stated in a clear and conspicuous manner in the contract. Payments are based on work or services already completed or materials that have been supplied according to the contract or subcontract. The owner may withhold payment and decline to approve a billing or invoice for various reasons, but must give proper and timely notice to the contractor. Among the reasons: unsatisfactory job progress; defective materials or workmanship; disputed materials or work; failing to comply with the terms of the contract; damage to the owner; reasonable evidence the work cannot be completed for the unpaid balance of the contract. Further, statute outlines the requirements for release of retention monies and final payment.

A.R.S. § 32-1129 defines *work* to mean the labor, materials, equipment and services provided by a contractor or subcontractor under a construction contract. *Construction contract* means a written or oral agreement for the construction, alteration, repair, maintenance, moving or demolition of a building, structure, improvement or excavation or development of land. *Owner* means any person, firm, partnership, corporation, association or any combination that causes a building, structure or improvement to be built, altered or repaired, including land development.

### PROVISIONS

1. Creates the *Arizona Design Professional Prompt Pay Act* and applies the provisions to future contracts and services by *design professionals*.
2. Adds *design professionals* and the pertinent language relating to contracts, definitions, and progress payments into the statutes that regulate public buildings (Title 34); and, state government (Title 41).
3. Includes *design professionals* in the present laws that govern progress payments for construction contracts and services.

**ADOT Prompt Payment and Progress Payments**  
**(A.R.S. § 28-411)**

4. Directs ADOT to pay the agreed upon or reasonable sum of the labor, materials and work or services performed by the contractor or consultant based on the oral or written advance notice to proceed or other directive by its authorized agent.
5. Stipulates that there is no defense for nonpayment if the labor, materials, work or services were furnished and installed before executing the contract or before its effective date.
6. Sets the prices or contract amount, with hourly rates or other cost formulas, as the presumptive agreed upon or reasonable total value of a project, unless ADOT and the project contractors/consultants otherwise agree in writing.

**Design Professional Service Contracts**  
**(A.R.S. §§ 32-162 through 165)**

7. Requires progress payments be made by the owner or contractor to the design professional according to the terms of the mutually agreed upon contract. Unless the contractor does not approve the invoice, payment must be made by the 21<sup>st</sup> day after receiving the invoice.
8. Deems the invoice for progress payments approved, unless the contractor provides timely written notice to the design professional via first class mail, listing the disapproved items.
9. Requires payment by the design professional to any contracted subconsultants by the seventh day after the owner or contractor makes a progress payment and entitles the subconsultant to receive 1% per month interest on the unpaid balance. Gives the subconsultants 30 days to send notice to the design professional contesting a payment amount.
10. Permits a subconsultant to request notification from the owner or contractor as progress payments are made to the design professional. In turn, the owner or contractor must send written notice by first class mail to the subconsultant within five days of making a progress payment to a design professional.
11. Lists the violations, unsatisfactory work and other parameters that constitute a basis for withholding retention payments.
12. Requires interest be paid at 1% per month on the unpaid balance of any late payments to a design professional.
13. Awards reasonable costs and attorney fees to the successful party in an action or arbitration proceeding brought to collect payments or interest.
14. Permits a design professional to suspend or terminate a service contract for failure by the contractor to make timely payment of the amount approved and certified. Outlines specifics.
15. Allows a subconsultant to suspend or terminate a service contract for failure by the design professional to make timely payments as approved and certified. Prescribes requirements.
16. Describes the public policy of this state with regard to the design professional service contracts and specifies what constitutes a void and unenforceable provision.
17. Outlines the notice requirement that must be included in a service contract for work on an owner-occupant dwelling regarding making payments to design professionals.
18. Defines pertinent terms relating to design professional service contracts.

#### AMENDMENTS

1. Eliminates the new language in Title 32 referencing prompt pay for design professionals for commercial and residential design and construction projects.
2. Maintains the provisions relating to prompt pay coverage for design professionals on state, county and local government construction projects.
3. Clarifies the notice is a *limited notice to proceed* and payment is for the fair and reasonable cost of labor, materials, work or services.
4. States that if the parties fail to negotiate a contract or modified contract, then the contractor or consultant will be paid for costs according to the limited notice to proceed, and subject to ADOT's cost guidelines.



# HOUSE OF REPRESENTATIVES

HB 2611

consumer flex loans

Sponsor: Representative Mesnard

---

**W/D** Committee on Banking and Financial Services

**DPA/SE** Committee on Commerce

**X** Caucus and COW

House Engrossed

---

## OVERVIEW

HB 2611 establishes *flex loans* regulated by the Arizona Department of Financial Institutions (DFI) and outlines the requirements for licensure, loan plans, interest rates and finance charges.

## HISTORY

Established in 1973, DFI is statutorily charged with the licensing, supervision, and regulation of state-chartered financial institutions and enterprises. The regulated entities include money transmitters, motor vehicle dealers, collections agencies, consumer lenders, mortgage banks and brokers, credit unions and banks.

## PROVISIONS

1. Creates a new chapter entitled *flex loans* within the Banks and Financial Institutions title of law and outlines the requirements for licensure, loan plans, interest rates and finance charges.
2. Adds a flex loan lender to the list of financial enterprises that DFI must examine. Current law assesses a charge of up to \$65 per hour for each examiner. (A.R.S. § 6-125)
3. Allows the superintendent of DFI (superintendent) to set the fee amount for a flex loan lender license and applies the current \$500 application fee for a branch office. (A.R.S. § 6-126)
4. Applies the current \$1,000 consumer lender fee to the flex loan lender, plus the present \$200 for each branch office. (A.R.S. § 6-126)
5. Defines pertinent terms. (A.R.S. § 6-1801)
6. Delineates individuals and types of loans that are exempt from licensure. (A.R.S. § 6-1802)
7. Outlines the circumstances in which the superintendent may deny renewal of a license or suspend or revoke a license. (A.R.S. § 6-1803)
8. Prohibits the licensee from making flex loans under any name or at any place of business other than the name and place stated in the license. (A.R.S. § 6-1803)
9. Requires the DFI Superintendent to issue a license within 120 days, if there are no grounds to deny a license and requires the license to be prominently displayed. (A.R.S. § 6-1804)
10. Outlines various reasons to deny a license renewal. (A.R.S. § 6-1805)

**Licensed Locations; Restrictions (A.R.S. § 6-1806)**

11. Permits the licensee to make flex loans by mail or electronic means, make accommodations to consumers at any location requested by the consumer, and conduct administrative, loan servicing, or recordkeeping activity at any other location not open to the public, if the superintendent is notified in advance of that activity.
12. Stipulates the licensee may conduct all activities outside the state if approved by the superintendent.
13. Allows the licensee to change the location of offices upon written notice to the superintendent.
14. Subjects flex loans to the requirements relating to disclosures, finance charges, repayments, and annual reporting.
15. Prohibits a licensee from making a flex loan from within any licensed office in which any other business not licensed and regulated by DFI is solicited or engaged in, or in association or conjunction with any other business not licensed and regulated by DFI.

**Books, Records, Annual Report (A.R.S. §§ 6-1807 through 6-1810)**

16. Requires the licensee to maintain any records that enable the superintendent to determine compliance for at least two years, and allows for electronic recordkeeping.
17. Directs the licensee to observe generally accepted accounting principles and practices.
18. Requires a licensee to make any records available on demand by the superintendent within three business days.
19. Authorizes the superintendent access during normal business hours to the offices, files, safes, or vaults of the business or subject matter of any examination, investigation or hearing.
20. Requires the licensee to file an annual report in the form prescribed by the superintendent before October 1 of each year and assesses fees and penalties for noncompliance.
21. Requires the licensee to include in the annual report, the standard annual percentage rate or the range of rates for certain specific loan amounts.
22. Directs the superintendent to compile a report of the standard annual percentage rate or range of annual percentage rates for public dissemination on at least an annual basis.

**Prohibited Acts (A.R.S. § 6-1811)**

23. Prohibits a licensee from knowingly advertising, displaying, or distributing any false or deceptive statement with regard to the rates, terms, or conditions of a flex loan.
24. Permits a licensee to give a consumer a prize or tangible property of \$25 or less aggregate value, but restricts a licensee from otherwise paying to anyone a fee, commission, or bonus.
25. Prohibits a consumer from having more than one outstanding flex loan and requires the person to provide a written statement as such.
26. Directs each licensee to inquire about any outstanding flex loan from a client and prohibits the licensee from offering a new loan if the person already has one or more outstanding loan.

### **Loans and Finance Charges (A.R.S. §§ 6-1832 through 6-1835)**

27. Authorizes a maximum flex loan of \$3,000 and finance charges of 36% per annum.
28. Computes finance charges on the unpaid principal balance of the flex loans as follows:
  - a. By multiplying the *daily periodic rate* by the actual unpaid balance of the loan each day during the billing cycle. The daily rate is determined by dividing the annual percentage rate (maximum 36%) by 365.
  - b. By multiplying the *monthly periodic rate* by the average daily balance of the loan during the billing cycle. Outlines the formula.
29. Requires payments be made by each billing cycle due date that include installments of principal, finance charges and fees combined with a minimum monthly payment that reduces by at least 5%, the principal outstanding loan balance.
30. Assesses additional finance charges as follows:
  - a. A delinquency charge equal to 5% of the installment amount unpaid within 7 days after its due date.
  - b. A *customary fee* to defray the ordinary costs of opening, administering and terminating a flex loan plan, including costs associated with: underwriting and documenting the account; securing/maintaining the account; validating consumer information; offering electronic and telephone access to accounts; processing account transactions; responding to consumer inquiries; providing periodic billing statements; all other services/activities.
  - c. Court costs.
  - d. Reasonable attorney fees if the flex loan is referred for collection.
  - e. Stipulates the *customary fee* is not considered as interest, and may not exceed ½ of 1% of the actual unpaid *daily principal balance* in any billing cycle.
  - f. Dishonored check fees to cover the actual charges by the financial institution.

### **Miscellaneous**

31. Directs the DFI superintendent to adopt rules necessary to regulate the conduct of licensees. (A.R.S. § 6-1812)
32. Specifies the conditions which constitute a voidable loan. (A.R.S. § 6-1813)
33. States failure to comply does not affect the validity or enforceability of any flex loan, with exception. (A.R.S. § 6-1814)
34. Outlines the requirements for flex loans, which include disclosures, finance charges, repayments, allowable fees, and annual reporting. (A.R.S. § 6-1831)
35. Stipulates that a person is not responsible for any loan is a result of theft or fraud. Requires the licensee to correct any derogatory credit information within 30 days of becoming aware that the loan was a result of theft or fraud. (A.R.S. § 6-1836)

### **AMENDMENTS**

1. Suspends the license if the lender fails to submit the renewal application and associated fee by June 30 each year. The license expires as of July 1 if not properly and timely renewed.

2. Ensures that active duty military, national guard, reserve duty personnel and their dependents will not receive flex loans with an interest rate that conflicts with federal law.
3. Permits the licensee to provide the borrower with electronic disclosure documents.
4. For a licensee making electronic loans, outlines the cautionary language that must appear on the licensee's website regarding reading the terms and conditions of a loan before signing the paperwork.
5. Makes technical, clarifying and conforming changes.





# HOUSE OF REPRESENTATIVES

## HB 2190

~~schools; common core; replacement~~

NOW: replacement; common core; schools

Sponsors: Representatives Finchem, Barton, Lawrence, et al.

---

DPA/SE Committee on Education

X Caucus and COW

House Engrossed

---

### **OVERVIEW**

HB 2190 requires the Arizona State Board of Education (SBE) to redevelop the statewide academic standards.

### **Summary of the Proposed Strike-Everything Amendment to HB 2190**

The proposed strike-everything amendment to HB 2190 establishes a process for SBE to redevelop the statewide academic standards and assessments, establishes a steering committee to collaborate with SBE on the creation of new standards and places restrictions on the use of student data.

### **HISTORY**

SBE is required to adopt a minimum course of study and competency requirements for the promotion of children from grade to grade that incorporate the academic standards in at least reading, writing, math, science and social studies (Arizona Revised Statutes §§ 15-701 and 15-701.01). On June 28, 2010, SBE adopted new standards in Math and English Language Arts and Literacy called Arizona's College and Career Ready Standards. The required statewide assessment for the old standards is being phased out and the new assessment named AzMERIT is being phased in beginning in the Spring of 2015.

More information about the standards may be found on <http://www.azed.gov/standards-practices>.

### **PROVISIONS**

#### ***Statewide Academic Standards and Assessments***

1. Prohibits SBE from adopting and the Arizona Department of Education (ADE) from implementing the following:
  - a. Common Core Standards.
  - b. Arizona College and Career Ready Standards.
  - c. Any standards from a third-party provider that are aligned with standards or assessments proposed by the Partnership for Assessment of Readiness for College and Careers.
  - d. Any standards or assessments that are the same or substantially similar to standards or assessments used by 20 or more other states.
2. Declares any previous action taken to adopt or implement any of the previous standards or assessments to be void.
3. Establishes the Arizona Education Standards Steering Committee (Steering Committee) within ADE.

4. Requires the Steering Committee to adopt and SBE to administer the Arizona Education Standards for the state's public schools.
5. Prohibits appointed and elected officials from joining any consortium, association or other entity on behalf of the state or a state agency if membership would require the state to cede any measure of control over education, including academic content standards and assessments.
6. Requires SBE, in collaboration with the Steering Committee, to:
  - a. Provide public notice of any proposed adoption or revision of academic content standards on ADE's website.
  - b. Request comments on proposed changes from the general public, including parents, teachers, experts and representatives of political, educational, faith-based and nonpartisan policy organizations.
  - c. Accept all public comments submitted within 60 days of the public notice.
7. Prohibits SBE, in collaboration with the Steering Committee, from adopting or revising any academic content standards until public meetings are held in each Congressional District in the state.
  - a. Requires SBE to post a notice of each public meeting on ADE's website and in a newspaper of general circulation in the respective Congressional District.
8. Directs SBE, in collaboration with the Steering Committee, to adopt areas of subject matter standards that are subject to legislative review and approval beginning in School Year (SY) 2016.
9. Requires the subject matter standards to be implemented in every public school in the state.
10. Determines any SBE revisions to the standards to be subject to legislative review and approval.
11. Requires SBE, in collaboration with the Arizona Board of Regents (ABOR) and the Steering Committee, to adopt subject matter standards by August 1, 2017, in English Language Arts, American History, Science and Math to replace the previous standards.
  - a. Directs ADE and ABOR to evaluate the standards.
  - b. Requires the standards to address the goals of reducing the need for remedial postsecondary coursework and increase the completion of a postsecondary education.
  - c. Determines that the adopted subject matter standards and corresponding assessments are to be approved and controlled solely by the state through SBE.
12. Directs SBE, in collaboration with the Steering Committee, to begin the process of adopting new standards in the required areas on the effective date of this act.
13. Requires reasonable opportunity, consistent with best practices, for public comment on the revisions of the standards, including specified persons.
14. Instructs SBE to implement the standards that were in place on May 31, 2010, in English Language Arts, American History, Science and Math until the statewide student assessments for those areas are implemented.
15. Requires SBE to seek certification from ABOR on the effective date of this act that the subject matter standards in English Language Arts, American History, Science and Math that were in place on May 31, 2010, are college and career ready as defined in the Elementary and Secondary Education Act flexibility document issued by the United States Department of Education (ED).

- a. Instructs ABOR to provide to SBE a detailed description of the certification process and results, including a list of deficiencies if ABOR deems the standards are not college and career ready.
16. Directs SBE to post on ADE's website all documents, materials, reports, descriptions and correspondence produced or used by ABOR in the certification process.
17. Requires SBE, in collaboration with the Steering Committee and consultation with ABOR, to direct the process of developing annual high-quality statewide student assessments that align with the adopted college and career ready subject matter standards by SY 2019.
18. Requires statewide student assessments to continue to assess standards and objectives in the standards that were in place on May 31, 2010, and continue to align to those standards and objectives until the replacement assessments are implemented.
19. Prohibits SBE from entering into any agreement, memorandum of understanding or contract with a federal agency or private entity that cedes or limits state discretion and control over the process of developing, adopting or revising subject matter standards and the corresponding assessments in the public school system, including agreements in exchange for funding.
  - a. Requires SBE to initiate efforts to amend any agreement existing that is in conflict with this section on the effective date of this act.
  - b. Stipulates that this requirement does not prohibit SBE from seeking and being granted a federal waiver if the conditions for the waiver do not cede or limit control over the process of developing, adopting or revising standards and assessments.
20. Permits ADE to participate in a multistate or multi-governmental cooperative.
  - a. Prohibits ADE from binding the state contractually or otherwise to the authority of any other state, organization or entity that supersedes SBE's authority.
21. Instructs the content of all subject matter standards and corresponding assessments to be approved and controlled solely by the state through SBE in collaboration with the Steering Committee.
22. Requires SBE, in collaboration with the Steering Committee, to maintain independence of all subject matter standards and corresponding assessments and prohibits the relinquishment of authority over standards and assessments.
  - a. Exempts the benchmarking of standards and assessments with those of other states or nations to allow for comparisons of Arizona's standards and assessments.
23. Directs school districts and charter schools to determine the instruction, curricula, reading lists, instructional materials and textbooks to be used in meeting the Arizona Education Standards.
24. Allows school districts and charter schools to adopt supplementary assessments that are in addition to the state assessments.
25. Instructs SBE, in collaboration with the Steering Committee, to compare the adopted standards with the previous standards in the specified areas.
26. Requires SBE to consider public comments, the use of best practices, evidence and research in the evaluation of both sets of standards when comparing the standards.
27. Directs SBE and the Steering Committee, on completion of the standards comparison, to submit a report outlining the results of the comparison to the Speaker of the House of

Representatives, the President of the Senate, the House Minority Leader, the Senate Minority Leader and the Governor.

28. Requires all subject matter standards and corresponding assessments to be carefully circumscribed to reflect direct application to subject matter proficiency.
29. Prohibits subject matter standards and corresponding assessments from collecting or measuring non-cognitive, emotional or psychological characteristics, attributes or skills.
30. Directs SBE to amend or repeal any rule in conflict with the requirements of this act.
31. Defines *English Language Arts*.

***Arizona Education Standards Steering Committee***

32. Prohibits SBE from adopting or revising any standards until the proposed standards or revisions are approved by the Legislature and the appropriate Steering Committee subcommittee.
33. Requires SBE to propose any new or revised standards to the Steering Committee prior to seeking legislative review and approval.
34. Mandates Steering Committee meetings be open to the public, including subcommittee meetings.
35. Establishes the following 13-member Steering Committee membership:
  - a. The Governor or his/her designee.
  - b. Four parents of children in public schools, two appointed by the Speaker of the House of Representatives and two appointed by the President of the Senate.
  - c. Two persons with expertise in information technology, one appointed by the Speaker of the House of Representatives and one appointed by the President of the Senate.
  - d. Six persons who are either high school teachers or university instructors that meet qualifications, three appointed by the Speaker of the House of Representatives and three appointed by the President of the Senate.
36. Requires the Steering Committee to:
  - a. Select a chairperson and co-chairperson.
  - b. Select four persons to oversee the development of standards documents who understand and are able to use subject-specific symbols.
    - i. Permits ADE and SBE to provide assistance to these persons.
  - c. Contract, if necessary, with a person who has a national reputation in academic content standards and assessments to facilitate the Steering Committee's work.
  - d. Establish a separate subcommittee for English Language Arts, American History, Science and Math.
  - e. Select a chairperson for each subcommittee by a majority vote.
    - i. Requires each chairperson to be an instructor in a related subject area in a university or a community college.
37. Instructs each subcommittee to be composed of teachers with at least 10 years of teaching experience.
38. Limits each subcommittee to five members.
39. Permits a school librarian to be selected to provide technical assistance to the English Language Arts subcommittee.

40. Permits an engineer to be selected to provide technical assistance to the math and science subcommittees.
41. Directs each subcommittee to approve or disapprove of the academic content standards for the appropriate subject area.
42. Requires subcommittees to obtain comments from teachers on the appropriateness and wording of the proposed standard for each grade and, if necessary, offer revisions on the proposed standards.
  - a. Directs the comments to be recorded and transcribed.
43. Sunsets the Steering Committee on July 1, 2023.

#### ***Legislative Review of the Standards***

44. Determines all subject matter standards and revisions adopted by SBE, in collaboration with the Steering Committee, to be subject to legislative review.
  - a. Prohibits the implementation of standards until the legislative review process is complete.
45. Directs SBE, on adoption of any subject matter standards, to submit the standards to the Speaker of the House of Representatives and the President of the Senate at least 30 days before the opening day of the next Regular Session or, if needed to give SBE additional time to adopt the standards, a Special Session called for this purpose.
46. Instructs the Legislature to adopt legislation that takes one of the following actions relating to the standards:
  - a. Approve.
  - b. Disapprove, in part or in whole.
  - c. Amend, in part or in whole.
  - d. Disapprove, in part or in whole, with corresponding instructions to SBE.
47. Deems the standards approved if the corresponding legislation is vetoed and the Legislature does not override the veto or if the Legislature fails to adopt legislation within 30 days of the opening of the respective legislative session.
48. Permits SBE, in collaboration with the Steering Committee, to adopt and submit new standards for legislative review if the proposed standards are disapproved in whole or in part or with instructions.
49. Instructs SBE to continue to implement the current standards until new standards have been reviewed and approved by the Legislature.
  - a. Permits SBE, in collaboration with the Steering Committee, to revise standards that were amended or disapproved by the Legislature in accordance with the legislative changes and implement the revised standards.
50. Requires introduced legislation to be limited to the provisions necessary for approving, disapproving, amending or disapproving with instructions and any other direction regarding the standards deemed necessary, unless otherwise provided for by a specific vote of the Legislature.
  - a. Prohibits the legislation from containing other provisions.

#### ***Student Data***

51. Prohibits data that measures the academic performance of a student from being collected unless the data is specifically used to evaluate whether the student has met the conditions for promotion to the next grade level or high school graduation.

52. Prohibits personally identifiable data that is collected from being transmitted to any public or private person or entity other than the school district governing board or charter school governing body where the student is enrolled.
- a. Exempts data that is not personally identifiable.
53. Prohibits collected academic performance data from being manipulated or altered.
54. Prohibits the Superintendent of Public Instruction, SBE, ADE and any other state entity that deals with education from:
- a. Spending monies on the construction, enhancement or expansion of a statewide longitudinal data system designed to track students or compile personally identifiable student information, unless it is necessary for basic administrative purposes, academic evaluation of programs and student progress or for compliance with this act.
  - b. Sharing any personally identifiable student or teacher information with an entity outside of the state, excluding virtual, online or hard drive file storage hosted by a third party.
  - c. Sharing any personally identifiable student or teacher information with an entity that intends to use the information to develop commercial products or services or transfer the information to another entity to develop products or services.
  - d. Sharing any personally indefinable student or teacher information with any entity within the state unless it is an educational agency or an institution that expressly prohibits:
    - i. Using the information to develop commercial products or services or transferring the information to an entity to develop products or services; and
    - ii. Using the information for economic or workforce development planning.
  - e. Sharing any personally identifiable student or teacher information with ED unless the following apply.
    - i. The sharing of information is required to receive a federal education grant.
    - ii. The grant or program is authorized by federal law.
    - iii. ED agrees in writing to all of the following:
      1. To use the information only to evaluate the program or programs funded through the grant.
      2. To not use the information for any research unrelated to the grant, unless the teacher or parent or guardian of the student consents to that use in writing.
      3. To not share the information with any other governmental or private entity without the consent of the teacher or parent or guardian of the student.
      4. To destroy the information on completion of the evaluation of the program or programs funded by the grant.
55. Requires a grant recipient to notify the teacher or parent or guardian of a student of all of the following if ED requires that the grant recipient provide personally identifiable teacher or student information in a manner that is not authorized by this act.
- a. That the grant recipient has been required to turn over the teacher's or student's information to ED;
  - b. That neither the grant recipient or any other entity or official will have control of the use or further sharing of the information; and
  - c. The contact information, including telephone numbers and e-mail addresses, of the ED official seeking the information.

#### **AMENDMENTS**

##### **Committee on Education**

1. The proposed strike-everything amendment was adopted.



# HOUSE OF REPRESENTATIVES

HB 2208

~~charter schools; agricultural buffer zones~~

NOW: notice of claim; public schools

Sponsor: Representative Boyer

---

DPA/SE Committee on Education

X Caucus and COW

House Engrossed

---

## **OVERVIEW**

HB 2208 permits a charter school to locate within a quarter-mile of agricultural land if the owner of the land is required to comply with buffer zone requirements due to the presence of certain facilities.

## **Summary of the Proposed Strike-Everything Amendment to HB 2208**

The proposed strike-everything amendment to HB 2208 includes claims against a public school in the notice of claim requirements.

## **HISTORY**

Arizona Revised Statutes (A.R.S.) § 12-821.01 directs persons with claims against a public entity or employee to file the claim within 180 days of the cause of action. The claim is required to contain sufficient facts for the public entity to understand the liability. Additionally, claims are required to contain an amount for which the claim can be settled and the facts supporting that amount. No action may be taken if the claim is filed after 180 days. A cause of action is determined when the damaged party realizes they have been damaged and knows (or reasonably should know) the cause of the damage. Claims are deemed denied 60 days after the claim is filed or if the entity provides written denial.

*Public school* is defined in A.R.S. § 15-101 as any public institution established to offer instruction to preschool students with disabilities, kindergarten and/or grades 1-12. Both district and charter schools are included in the definition of public school.

## **PROVISIONS**

1. Includes claims against a public school in the notice of claim requirements.

## **AMENDMENTS**

### **Committee on Education**

1. The proposed strike-everything amendment was adopted.



# HOUSE OF REPRESENTATIVES

HB 2246

statewide assessments; parental opt out

Sponsors: Representatives Ackerley: Fincham, Leach

---

**DPA** Committee on Education

**X** Caucus and COW

House Engrossed

---

## OVERVIEW

HB 2246 permits a parent to opt his/her child out of statewide assessments.

## HISTORY

The Arizona State Board of Education (SBE) is required to adopt and implement an Arizona Instrument to Measure Standards (AIMS) test to measure student achievement of the adopted standards in reading, writing and math in at least four grades (Arizona Revised Statutes (A.R.S.) § 15-741). Third grade students are required to take the AIMS test and if the student receives a score on the reading portion that demonstrates that the student falls far below the third grade level that student is required to be retained. This requirement is referred to as *Move on When Reading* (A.R.S. § 15-701).

School districts annually receive an achievement profile that is reported as an A-F letter grade (A.R.S. § 15-241). Letter grades are determined by the following academic performance indicators: the Arizona Measure of Academic Progress, AIMS performance, the results of English Language Learner tests and, for high schools, the annual dropout rate and graduation rate. Additionally, school districts annually distribute a report card that contains information about the school such as programs, academic goals and a summary of the past three years of AIMS results (A.R.S. § 15-746).

In November 2000, voters passed Proposition 301 which increased the state sales tax by 0.6% and earmarked the monies for universities, community colleges and public schools. The Classroom Site Fund was established to collect Prop 301 monies that were not earmarked and distribute the monies to supplement school site spending (A.R.S. § 15-977). According to the Joint Legislative Budget Committee, the Classroom Site Fund collected approximately \$333.9 million in Fiscal Year 2014. School districts and charter schools are required to allocate Classroom Site Fund monies in the following amounts: 40% for performance based compensation, 20% for teacher base salary increases and the remaining 40% for maintenance and operation purposes.

A.R.S. § 15-203 requires SBE to establish a model framework for teacher and principal evaluations that includes four performance classifications: highly effective, effective, developing and ineffective. School districts and charter schools are required to adopt SBE's performance classifications in their evaluation instruments in a manner designed to improve teacher and principal performance.

In 2014, SBE adopted a new statewide assessment (AzMERIT) to replace AIMS. SBE administered the last AIMS test in Spring 2014 and is in the process of phasing in AzMERIT.



AzMERIT will be taken by students in grades 3 through high school and testing will begin in Spring 2015 (<http://www.azed.gov/assessment/>).

#### **PROVISIONS**

1. Permits a parent to opt his/her child out of required statewide assessments.
2. Directs SBE to develop and make available forms for parents to opt their child out of statewide assessments.
  - a. Instructs parents to sign the form and submit it to the school principal or head teacher.
3. Determines that if a parent elects to opt out of the statewide assessment:
  - a. The lack of assessment results for the child will not factor into the school or school district's A-F letter grade or school report card.
  - b. The school district or charter school is required to use an alternative to the statewide assessment to determine whether the student meets Move on When Reading requirements.
4. Requires school districts or charter schools that require a passing score on a statewide assessment as a requirement to graduate to use an alternative method to satisfy that requirement for children who have been opted out.
5. Makes technical and conforming changes.

#### **AMENDMENTS**

##### **Committee on Education**

1. Prohibits the lack of assessment results for a child that has been opted out of statewide assessments from being factored into teacher and principal evaluation performance classifications or performance based compensation systems.



# HOUSE OF REPRESENTATIVES

## HB 2250

empowerment scholarship accounts; applications

Sponsors: Representatives Mitchell, Borrelli, Lawrence, et al.

---

**DP** Committee on Education

**X** Caucus and COW

House Engrossed

---

### OVERVIEW

HB 2250 expands the definition of *qualifying student* under the Empowerment Scholarship Account (ESA) Program and requires the Arizona Department of Education (ADE) to issue ESA's within 45 days of application.

### HISTORY

Laws 2011, Chapter 75, established the ESA Program. Arizona Revised Statutes (A.R.S.) § 15-2401 defines an ESA *qualified student* as an Arizona resident who is any of the following:

- Identified as having a disability,
- Attends or is eligible to attend kindergarten at a D or F school or school district,
- A previous scholarship recipient of the ESA program or the Arizona Scholarships for Pupils with Disabilities Program,
- A child whose parent or guardian is a member of the armed forces and on active duty or was killed in the line of duty (these students are exempt from any further requirements for qualification),
- A child who is a ward of the juvenile court, or
- A child who is a sibling of a current or previous ESA recipient.

The *qualifying student* must also meet at least one of the following requirements:

- Attended a governmental primary or secondary school as a full-time student for at least 100 days of the prior fiscal year and who transferred under a contract to participate in an ESA,
- Previously participated in the ESA program,
- Received a scholarship from a School Tuition Organization and continues to attend a qualified school,
- Was eligible for an Arizona Scholarship for Pupils with Disabilities, or
- Has not previously attended a governmental primary or secondary school but is currently eligible to enroll in a kindergarten or preschool children with disabilities program.

Laws 2013, Chapter 250, enacted session law that caps new ESAs through 2019 at 0.5% of the total number of students enrolled in school districts and charter schools during the previous school year.

ADE is required to establish a period, between July 1 and May 1 of the following year, to accept ESA applications (A.R.S. § 15-2403). The current application cycle established by ADE is from January 1 to April 1 (azed.gov).

**PROVISIONS**

1. Expands the definition of an ESA *qualified student* to include a student who is the sibling of a first-time ESA recipient and submitted an application during the same application period.
2. Requires, after January 1 of each year, ADE to issue an ESA contract to eligible applicants within 45 days after receipt of the completed application and all required documentation.
3. Makes a technical change.



# HOUSE OF REPRESENTATIVES

## HB 2302

ADE; state and federal monies

Sponsor: Representative Farnsworth E

---

**DPA** Committee on Education

**X** Caucus and COW

House Engrossed

---

### OVERVIEW

HB 2302 prohibits the Arizona Department of Education (ADE) from co-mingling federal monies with state and local funds.

### HISTORY

ADE provides services such as funding, training and technical assistance to locally governed school districts and charter schools, under the direction of the Superintendent of Public Instruction. The Arizona State Board of Education (SBE) sets policies for ADE and acts as the chief educational authority for federal and state appropriations. Additionally, SBE is allowed to accept any federal funds for educational purposes (Arizona Revised Statutes § 15-206).

According to the Joint Legislative Budget Committee, ADE received approximately \$5.1 billion in funding in Fiscal Year 2013. \$3.5 billion of ADE's funding was received from state appropriations and local monies while federal programs and funding constituted \$1.1 billion of ADE's budget. In addition, \$489 million was received from other non-appropriated funds.

### PROVISIONS

1. Requires ADE to maintain federal monies in a separate account than state and local monies.
  - a. Prohibits ADE from co-mingling federal monies with state and local funds.

### AMENDMENTS

#### **Committee on Education**

1. Requires ADE to account for, rather than maintain, federal funds in a separate account from state and local monies.



# HOUSE OF REPRESENTATIVES

HB 2448

~~technical correction; air pollution; orders~~

NOW: average daily membership; homeschool pupils

Sponsor: Representative Olson

---

DPA/SE Committee on Education

X Caucus and COW

House Engrossed

---

## OVERVIEW

HB 2448 makes a technical change.

### Summary of the Proposed Strike-Everything Amendment to HB 2448

The proposed strike-everything amendment to HB 2448 requires schools to enroll homeschool students who wish to take courses at the school if the student lives within the school's attendance area or if the student lives outside of the school's attendance area and the school has capacity.

## HISTORY

Every child in Arizona between six and sixteen years of age is required to attend a school and be instructed in at least reading, grammar, math, social studies and science, with exceptions for physical and mental disabilities, work-related reasons or completion of the course of study for tenth grade (Arizona Revised Statutes (A.R.S.) § 15-802). Parents are allowed to choose a school district, charter school, private school or homeschool to meet the education requirement.

All schools are required by A.R.S. § 15-821 to admit children who are between six and twenty-one years old who reside in the school district and meet the requirements for enrollment, unless the child has graduated from high school.

## PROVISIONS

1. Requires school districts and charter schools to include in Average Daily Membership calculations, homeschool students that are enrolled in district or charter school courses that award elective or core credits.
2. Requires schools to allow homeschool students who reside within the school's attendance area to enroll in a portion of the curriculum in the same manner as other students enrolled in the school.
  - a. Establishes the same requirement for homeschool students who reside outside of the school's attendance area only if the school has sufficient capacity.
3. Makes a conforming change.

## PROVISIONS

### **Committee on Education**

1. The proposed strike-everything amendment was adopted.



# HOUSE OF REPRESENTATIVES

HB 2449

~~water protection, technical correction~~

NOW: per pupil transportation support level

Sponsor: Representative Olson

---

DPA/SE Committee on Education

X Caucus and COW

House Engrossed

---

## OVERVIEW

HB 2449 makes a technical change.

### Summary of the Proposed Strike-Everything Amendment to HB 2449

The proposed strike-everything amendment to HB 2449 removes the Transportation Revenue Control Limit (TRCL) and replaces the calculation for the Transport Support Level (TSL).

## HISTORY

School districts determine the amount of budget capacity allocated for transportation through the calculation of the TSL and TRCL (Arizona Revised Statutes §§ 15-945 and 15-946). The TSL is partially determined through the multiplication of the district's approved daily route mileage by the number of school days (either 180 or 200). That number is multiplied by the State Support Level per Route Mile, a number set by the Legislature based on the average mileage per eligible student transported. The full TSL is determined by the sum of the previous calculation plus additional calculations for trips for academic education, career and technical education, vocation education and athletic events and extended school year services for students with disabilities.

The TRCL is a hold harmless calculation that if ever is lower than the TSL in a given year is adjusted to equal the TSL. Otherwise the TRCL is equal to the TRCL from the prior year plus the increase in the TSL from the prior to current year, except that a TRCL in excess of 120% of the TSL may not receive an increase.

State equalization assistance is determined by adding a district's Base Support Level (BSL) to the lesser of the TSL or TRCL. A school district's total budget capacity is determined by adding the BSL to the TRCL, if the TRCL is greater than the TSL.

## PROVISIONS

1. Repeals the TRCL.
2. Removes the TSL calculation.
3. Calculates the TSL by multiplying the school district's student count by the average per-pupil transportation funding for peer school districts prescribed in the most recent school district performance audits by the Auditor General.
4. Directs Legislative Council staff to prepare proposed conforming legislation for consideration in the Fifty-Second Legislature, Second Regular Session.
5. Makes technical and conforming changes.

**AMENDMENTS**

**Committee on Education**

1. The proposed strike-everything amendment was adopted.



# HOUSE OF REPRESENTATIVES

HB 2483

school tax credit; classroom expenses

Sponsors: Representatives Livingston; Boyer, Fann, et al.

---

**DP** Committee on Education

**X** Caucus and COW

House Engrossed

---

## OVERVIEW

HB 2483 permits up to 20% of a school site's undesignated Public School Tax Credit contributions to be used for classroom expenses.

## HISTORY

Established by Laws 1997, Chapter 48, the Public School Tax Credit permits individuals to receive a dollar-for-dollar reduction in income tax liability for contributions to public schools. An individual may receive up to a \$200 credit, or a married couple may receive up to a \$400 credit, for contributions to a public school in support of extracurricular activities and character education programs (Arizona Revised Statutes § 43-1089.01). Public School Tax Credit contributions that are not designated for a specific purpose are distributed at the discretion of the school site council or administrator. In Tax Year 2013, the Arizona Department of Revenue reported 253,842 claimants totaling approximately \$50.9 million.

*Classroom expenses* as defined by the Arizona Auditor General in the Arizona School District Spending Fiscal Year 2013 report include dollars spent on classroom personnel (teachers in classroom and classroom aids), general instructional supplies, instructional aides and activities.

## PROVISIONS

1. Allows a school site council or a charter school officer to approve up to 20% of undesignated Public School Tax Credit contributions to be used for classroom expenses.





# HOUSE OF REPRESENTATIVES

HB 2562

school property; proceeds; limitations; removal

Sponsors: Representatives Norgaard; Fann

---

**DP** Committee on Education

**X** Caucus and COW

House Engrossed

---

## OVERVIEW

HB 2562 removes limitations on a school district's use of proceeds from the sale or lease of school property.

## HISTORY

School district governing boards are locally elected governing bodies charged with administering the schools within the district. Arizona Revised Statutes (A.R.S.) § 15-342 provides school district governing boards with discretionary powers including the authority to sell school sites and enter into leases or lease-purchase agreements. School district governing boards are required to call an election to approve the sale or lease of property that is over \$50,000 in value, with certain exceptions.

A.R.S. § 15-1102 authorizes a school district governing board to expend the proceeds from the sale or lease of school property on any outstanding bond indebtedness or to reduce district taxes, without limitations. Additionally, proceeds may be expended for maintenance and operations (M&O) or capital outlay purposes, with limitations. Limitations on the expenditure for M&O or capital outlay purposes are broken into two categories. For non-unified school districts with an outstanding bond indebtedness of 7% of the assessed valuation or less or 14% or less for unified districts, the following apply:

- Proceeds from the sale of property before Fiscal Year (FY) 1998 or the lease of property expended for M&O are prohibited from exceeding 15% of the Revenue Control Limit (RCL) of which 10% may be utilized without an election and the remaining 5% is subject to voter approval.
- Proceeds from property sold after FY 1998 are prohibited from being used for M&O.
- If a district has an override in place the total increase to the RCL may not exceed 15% with specifications to where the increase is attributable.

For non-unified school districts with an outstanding bond indebtedness of greater than 7% of the assessed valuation or greater than 14% for unified districts, the following apply:

- M&O expenditures are prohibited from exceeding the lesser of a 15% increase to the RCL or a quarter of the amount of proceeds from the lease of property.
- Capital outlay expenditures using proceeds from the sale of property are unlimited.
- Capital outlay expenditures using proceeds from the lease of property are prohibited from exceeding 62% of the proceeds.

Governing boards are permitted to use the proceeds from the sale of property before FY 2008 or the lease of property for the additional M&O expenses incurred from operating a year round

school, subject to the previous limitations. School districts are required to establish three plant funds to place the proceeds of the sale or lease of property in the district with specifications on the monies that may be deposited in each fund. If a school district's voters approve the sale of school property and the use of proceeds for the construction, improvement or furnishing of school facilities, that money is required to be placed in a separate fund.

#### **PROVISIONS**

1. Removes limitations on the ability of a school district to expend the proceeds from the sale or lease of school property to permit a school district to use the proceeds for any M&O or capital outlay expense.
2. Reduces the number of school plant funds a district is required to utilize from three to one.
3. Removes the requirement for the use of proceeds from the sale of school property for voter-approved school facilities construction, improvement or furnishing projects to be placed in a separate fund.
4. Makes technical and conforming changes.



# HOUSE OF REPRESENTATIVES

HB 2622

student count; growth; current year

Sponsor: Representative Olson

---

**DP** Committee on Education

**X** Caucus and COW

House Engrossed

---

## **OVERVIEW**

HB 2622 requires a school district that increases its budget based on current year growth to use the current year student count to determine the district's budget in subsequent years.

## **HISTORY**

Arizona school districts determine an annual budget capacity through the formula contained in Arizona Revised Statutes (A.R.S.) Title 15, Chapter 9. The formula contains multiple areas of funding including monies allocated for capital, transportation, maintenance and operations. Most components of the funding formula are based on the Average Daily Membership (ADM) of the district, which is defined as the total enrollment of fractional and full-time students through the first 100 days. When determining a budget for the current year, a school district utilizes the ADM from the prior year in the formula calculation. A.R.S. § 15-948 permits a school district to increase its Revenue Control Limit (RCL) and District Support Level (DSL), components of a district's budget, if the school district experiences growth in the student population or disabled student population in the current year. If a district recalculates the ADM and determines there is an increase from the prior year, the district may hold a public hearing and revise its budget any time before May 15 to receive additional state aid. In the event that a school district experiences negative growth in the current year it is held harmless and will not receive less state aid that year.

## **PROVISIONS**

1. Requires a school district that increases its DSL and/or RCL for current year growth to adjust the DSL and/or RCL in each subsequent year to the actual current year student count.



# HOUSE OF REPRESENTATIVES

HB 2581

prescribed burns liability study committee

Sponsor: Representative Campbell

---

**DP** Committee on Energy, Environment and Natural Resources

**X** Caucus and COW

House Engrossed

---

## OVERVIEW

HB 2581 establishes the Prescribed Burns Liability Study Committee (Committee).

## HISTORY

Prescribed fires are intended to help improve the health of the forests as well as lower the risk of severe wildfires. These fires are conducted within a prescription that defines the fuel moisture levels, air temperatures, wind conditions, and relative humidity levels that are appropriate for each project. All prescribed fires are dependent on personnel availability, wind conditions, and relative humidity levels, and must be approved by the Arizona Department of Environmental Quality (ADEQ).

According to the United States Forest Service, there are several benefits to prescribed fires. Prescribed fires can help reduce fuel build up, lowering the risk of crown fires caused by overcrowded, unhealthy trees or even dead wood. Prescribed fires can also help certain plants to germinate, which is necessary for some plants to naturally regenerate. Prescribed fires are even beneficial to grazing wildlife, which cause new growth as shrubs produce edible leaves when sprouting after a fire.

## PROVISIONS

1. Establishes the Committee composed of:

- a. Two members from different political parties of the House of Representatives who are appointed by the Speaker;
- b. Two members from different political parties of the State Senate who are appointed by the President of the Senate;
- c. The Director of the Department of Insurance or the Director's designee;
- d. The Director of ADEQ or the Director's designee;
- e. The State Forester or the Forester's designee;
- f. The State Land Commissioner or the Commissioner's designee;
- g. The chairperson of a statewide council on prescribed fires or the chairperson's designee;
- h. One member who has experience with the insurance industry, appointed by the Speaker;
- i. One member who has experience with the livestock grazing industry, who is appointed by the President of the Senate;
- j. Three members, one each from Arizona State University, Northern Arizona University, and the University of Arizona, who specialize in natural resource management or natural sciences, appointed by their respective President; and
- k. One member of the public, who is appointed by the Governor.

2. Requires the cochairpersons selected by the Speaker and the President of the Senate, to be members of different political parties.
3. Instructs the Committee to:
  - a. Collect information on the effectiveness of prescribed burns for fuels managements, habitat improvement and watershed protection;
  - b. Examine existing liability requirements for the use of prescribed burns;
  - c. Review insurance mechanisms and liability provision in other states that allow for the use of prescribed burns on private land; and
  - d. Determine what statutory changes are necessary in this state to allow prescribed burns to occur on private land.
4. Allows the Committee to:
  - a. Request information data and reports from any county, state agency or political subdivision of Arizona;
  - b. Hold hearings, conduct fact-finding tours and take testimony from witnesses who may assist the Committee in fulfilling its responsibilities; and
  - c. Request that a state agency provide its services, equipment, documents, personnel, and facilities, to the extent possible without cost to the Committee.
5. Requires the Legislature to provide staff and support services to the Committee.
6. Instructs the Committee to meet at the state Capitol, or at other locations requested by the cochairpersons, and the meetings must be open to the public.
7. States that members of the Committee are not eligible to receive compensation, but may be reimbursed for traveling expenses.
8. Requires the Committee to submit report containing findings and recommendations to the Governor, the Legislature, and the Secretary of State prior to January 1, 2016.
9. Repeals the Committee on October 1, 2016.



# HOUSE OF REPRESENTATIVES

HB 2636

closure; underground storage; technical correction

Sponsor: Representative Bowers

---

**DPA/SE** Committee on Energy, Environment and Natural Resources

**X** Caucus and COW

House Engrossed

---

## OVERVIEW

HB 2636 makes technical changes related to the closure of an underground storage tank (UST).

### Summary of the Proposed Strike-Everything Amendment to HB 2636

The proposed strike-everything amendment to HB 2636 extends coverage from the UST State Assurance Fund (SAF) to UST releases reported before July 1, 2016 and extends the \$0.01/gallon gasoline tax until December 31, 2030.

## HISTORY

In 1986, Arizona adopted its own UST program, administered by the Arizona Department of Environmental Quality (ADEQ), following a Congressional Act that established a federal program to regulate USTs. In 1990, the Legislature amended the UST Act by creating the UST Revolving Fund, which contains three separate accounts: the regulatory account, the assurance account and the grant account. The assurance account, commonly referred to as the state assurance fund or SAF, is used to provide reimbursement coverage to UST owners and operators for eligible leaking underground storage tank (LUST) cleanup costs and to fund ADEQ's costs for administering cleanup requirements and for administering the SAF. The SAF is funded through a \$0.01/gallon tax on the operation of regulated USTs.

In 2004, the Legislature amended the UST act by requiring the phase out of eligibility and the eventual sunset of the SAF. The phase out began with the termination of eligibility for new UST releases (leaking UST) reported after June 30, 2006. Only UST releases reported before this date would be eligible for reimbursement from the SAF. This legislation also established the Regulated Substances Fund (RSF) to be used to cover costs incurred by ADEQ for cleaning up orphaned UST sites, and required a transfer of \$60 million from the SAF to the RSF. Following the transfer of the \$60 million, the SAF and the \$0.01/gallon tax would have sunset, or both would sunset on December 31, 2013.

In 2013, the Legislature amended the UST Act by delaying the repeal of the SAF and the \$0.01/gallon tax until December 31, 2015. This legislation established the Underground Storage Tank Program Study Committee to examine issues with the UST program, provided a five-year extension on certain application deadlines, and required any \$0.01/gallon tax monies, after the required transfer of \$60 million from the SAF to the RSF, to be deposited in the State Highway Fund.

The Underground Storage Tank Program Study Committee was an effort by Legislative members, representatives from the petroleum industry, environmental consultants, and members of the public to make recommendations on various issues with USTs and the state UST program.

During the final meeting, the Committee discussed recommendations for the UST program and voted to allow the director of ADEQ to convene stakeholder meetings to discuss the recommendations and allow the director to spend up to \$200,000 for an actuarial study. Additionally, the Committee voted to request that the Speaker and the President convene an ad hoc committee to continue discussions regarding the UST program.

In 2014, the Legislature amended the UST Act by repealing the transfer of excess \$0.01/gallon tax revenue from the SAF to the State Highway Fund, allowing the director of ADEQ to issue a stop use order on USTs that are not in compliance with financial responsibility requirements, removing exemptions to the UST release reporting deadline of July 1, 2006, for eligibility for SAF fund coverage, and provided a legislative intent clause that specified the monies in the SAF fund a new and revised UST corrective action program and existing UST leak prevention program.

#### **PROVISIONS**

1. Extends coverage from the SAF for UST releases reported prior to July 1, 2016.
2. Extends application deadlines to December 31, 2016 for:
  - a. Reimbursement of eligible, reasonable and necessary costs from the SAF; and
  - b. Applications for preapproval of corrective action costs.
3. Stipulates that after December 31, 2016, applications made or expenses incurred are ineligible for coverage from the SAF and all such claims are extinguished.
4. Strikes language stating that ADEQ is not required to take any action on an application for coverage, reimbursement or payment from the SAF or on an application for preapproval until a new revised UST corrective action program is effective.
5. Allows ADEQ to defer payment on eligible claims for SAF coverage if the SAF account does not have sufficient monies to cover the claim.
6. Stipulates that ADEQ and the SAF are not liable for and may not pay any claims for third-party injury or property damages caused by a LUST.
7. Extends the \$0.01/gallon gasoline tax and the SAF until December 31, 2030.

#### **AMENDMENTS**

##### **Committee on Energy, Environment and Natural Resources**

1. The strike-everything amendment was adopted.



# HOUSE OF REPRESENTATIVES

HB 2067

independent expenditure disclosures; aggregate percentage

Sponsor: Representative Mesnard

---

**DPA** Committee on Elections

**X** Caucus and COW

House Engrossed

---

## OVERVIEW

HB 2067 requires the disclosure on campaign literature or advertisements of each political committee that made 25% or more of the total contributions received by another political committee making the independent expenditure (IE), instead of disclosing the top three contributors.

## HISTORY

Each political committee that intends to accept contributions or make expenditures of more than \$500 must file a statement of organization before accepting contributions, making expenditures, distributing any campaign literature or circulating petitions. Each political committee that intends to accept contributions or make expenditures of \$500 or less but more than \$250 must file a signed exemption statement noting that intention (Arizona Revised Statutes [A.R.S.] § 16-902.01).

A political committee that makes an expenditure for campaign literature or advertisements expressly advocating the election or defeat of any candidate or that makes any solicitation of contributions to any political committee must be registered at the time of distribution, placement or solicitation. The literature or advertisements must include the words “paid for by” followed by the name of the committee that appears on its statement of organization or \$500 exemption statement.

Currently, if the political committee’s expenditure for campaign literature or advertisements is an IE, they must also include on the literature or advertisement the names and telephone numbers of the three political committees making the largest contributions to the political committee making the IE. For the purposes of determining the three contributors to be disclosed, only the contributions made during the calendar year in which the IE is made shall be considered (A.R.S. § 16-912).

## PROVISIONS

1. Requires the disclosure on campaign literature or advertisements of each political committee that made 25% or more of the total contributions received by a political committee making the IE.
2. Makes technical and conforming changes.

## AMENDMENTS

### **Committee on Elections**



1. Maintains that the top three contributors be disclosed if no contributing political committee meets the 25% threshold.



# HOUSE OF REPRESENTATIVES

## HB 2407

referendum and recall provisions

Sponsor: Representative Stevens

---

**DPA** Committee on Elections

**X** Caucus and COW

House Engrossed

---

### OVERVIEW

HB 2407 modifies requirements for initiative, referendum and recall and requires courts to strictly construe, and the petition proponents to strictly comply with these provisions.

### HISTORY

Pursuant to Arizona Revised Statutes (A.R.S.) §§ 19-112(C), 19-114, & 19-118 any person who is qualified to register to vote may circulate initiative, referendum and recall petitions. A petition circulator is not required to be a resident of this state but otherwise must be qualified to register to vote in this state. Circulators who are not residents of this state must register as a circulator with the Secretary of State (SOS) by submitting the prescribed form.

Statute also delineates the requirements that must be followed in order for the petition signatures to be valid. For example, a circulator must indicate which petition is being circulated by listing the serial number. A circulator must also indicate the address at which he or she agrees to accept service of process if different than the residential address listed.

Additionally, a circulator must state whether he is a paid or volunteer circulator by checking the appropriate line on the upper right-hand corner of the petition before circulating (A.R.S. §§ 19-101(C) & 19-102(C)). If this is not completed, the signatures obtained on that particular sheet are void and are not considered in determining the legal sufficiency of the petition. Additionally, if a circulator completed any portion of the elector's signature line, that signature will be removed.

Upon completion of circulating a petition, the circulator must complete the "Affidavit of Circulator" on the back of the petition in the presence of a notary. If any of the information on the back of a petition is missing, the entire signature sheet will be eliminated.

For the purposes of this Act, all provisions related to the SOS apply to the filing officer of a city, town or county (A.R.S. § 19-141).

### PROVISIONS

#### *Initiative and Referendum; Signatures; Verification*

1. Stipulates the following constitutes the full and correct copy of the title and text of a referendum measure for circulation for signatures:
  - a. The SOS's time-and-date marked copy of the measure with its proposed text set out in full.
  - b. For local matters, the copy of the measure signed or enacted into law by the mayor, or chairman of the county board of supervisors (BOS), with its proposed text set out in full, including the original and any amended text.

- c. For any local matter enacted without an ordinance or resolution, the official minutes approved by the governing body and signed by the governing body's clerk.
2. Asserts that referendum signatures collected with any copy of the measure, that is not a facsimile of the time-and-date-marked copy for statewide measures, or the full and correct copy of a local measure are invalid.
3. States that signatures obtained by a circulator who is not a resident of this state and who is not registered with the SOS before collecting signatures are invalid.
4. Requires the SOS to provide for a method of receiving service of process for circulators who are not residents of the state but register with the SOS.
  - a. Directs the SOS to establish in the instructions and procedures manual issued at least 30 days before an election a procedure for registering circulators and receiving service of process.
5. Removes the commission expiration date from the "Affidavit of Circulator" form on the back of referendum petitions and requires it to include a designated location for a notary stamp.
6. Prohibits the "Affidavit of Circulator" from being modified and invalidates any petition that contains a partial or modified affidavit.
7. Directs the political committee that is the proponent of the petition regarding municipal or county matters to organize the signature sheets and group them by circulator.
  - a. Asserts the proponent is solely responsible for compliance with this.
  - b. Allows the local filing officer to return as unfiled any signature sheets not organized and grouped.
8. Clarifies the adopted ordinance or resolution attached to the petition must be signed by the mayor or the chairman of the BOS or the municipality's clerk.
9. Directs the SOS to mark signatures ineligible if the date on which the petitioner signed the petition is before the date that the political committee's statement of organization was filed or if the date on which the petitioner signed is after the date on which the affidavit was completed by the circulator and notarized.
10. Directs the SOS to presume that the date noted on the petition for a petitioner's signature is the date on which the petitioner signed the petition, and any person seeking to establish a different date for the signature bears the burden of proof in overcoming the presumption.
11. Requires county recorders to disqualify signatures for the following reasons:
  - a. A petition signer's signature is determined to be invalid after a comparison is made between the signature and handwriting on the petition and the petition signer's voter registration file.
  - b. The person circulating the petition was a Justice of the Peace or a county recorder at the time the person circulated the petition.
12. Makes technical and conforming changes to the SOS's receipt verifying the minimum signature threshold was met.
13. Requires the SOS to retain the original signature sheets if the valid signatures do not meet the required threshold until after the conclusion of any litigation regarding the measure or until time has expired for any litigation to proceed.

14. Restricts an action that contests the validity of an initiative or referendum measure based on the actions of the SOS from being maintained in any court in this state except as prescribed in statute.
15. Prohibits a person from maintaining a separate action seeking to enjoin the SOS or other officer from certifying or printing the official ballot for the election that will include the proposed initiative or referendum measure.
  - a. Requires any request to enjoin the certification or printing of the ballot to be made as a part of an action filed pursuant to statute.
16. Asserts county superior courts have jurisdiction for a county, special district or school district and, with respect to actions relating to local or special measures for a municipality, the county superior court in which the majority of the population of that municipality resides has jurisdiction.
17. Allows a charter city to enact additional provisions governing initiatives and referenda as long as there is no statutory confliction.

#### ***Recall Petitions***

18. Stipulates when an application for recall is received and marked by the filing officer with an official date and time of receipt, the application, including the general statement constitutes the official copy of the text of the recall and shall be used in all instances as the text of the recall.
19. Requires the applicant to file a new application, receive a new official serial number and use the text of the recall accompanying the new application, for any subsequent change in the text of the recall, including any change in the general statement.
  - a. Clarifies that signatures on the prior recall petition are invalid for the new recall petition.
20. Asserts that the filing officer's time-and-date-marked copy of the application, including the general statement of the grounds for recall, constitutes the full and correct copy of the recall text and is the only valid copy for circulation of signatures.
21. States that signatures that are collected with any copy of the recall text that is not a facsimile of the time-and-date-marked copy with the complete text that is identical to the filing officer's copy are invalid.

#### ***Miscellaneous***

22. Contains legislative finding and intent clauses requiring the courts to strictly construe and the petition proponents to strictly comply.
23. Makes technical, conforming and clarifying changes.

#### **AMENDMENTS**

##### **Committee on Elections**

1. Strikes language allowing a charter city to enact additional provisions governing initiatives and referenda as long as there is no statutory conflict.



# HOUSE OF REPRESENTATIVES

HB 2589

campaign finance; electronic filing system

Sponsor: Representative Stevens

---

**DPA** Committee on Elections

**X** Caucus and COW

House Engrossed

---

## OVERVIEW

HB 2589 authorizes the Secretary of State (SOS) to develop an electronic filing system for campaign finance reports and permits political subdivisions to use this system.

## HISTORY

Each political committee must file campaign finance reports in the format prescribed by the filing officer during the statutorily prescribed timeframe (Arizona Revised Statutes [A.R.S.] § 16-913). Statute stipulates that campaign finance statements, designations, and reports must be filed with the SOS, county officer in charge of elections or the city or town clerk depending on the applicable jurisdiction (A.R.S. § 16-916).

Laws 2000, Chapter 235 required campaign finance statements, designations and reports filed with the SOS in electronic format to be filed using computer programs that are provided and approved by the SOS. Statute directs the SOS to implement and maintain a system for the electronic collection, filing and dissemination of materials. A county officer in charge of elections may implement an electronic filing system for statutorily required statements, designations and reports to be filed with the county officer in charge of elections (A.R.S. § 19-916.01).

## PROVISIONS

1. Allows the SOS to develop an electronic filing system, upon legislative appropriation and notwithstanding any other law, for statutorily required campaign finance statements, designations and reports for use by other political subdivisions.
2. Permits political subdivisions to utilize the system if they both:
  - a. Give notice to the SOS 30 days before the first report is due for a calendar year for that political subdivision.
  - b. Pay a fee as determined by the SOS.
3. Stipulates this system must comply with A.R.S. § 16-916.01.

## AMENDMENTS

1. Makes a clarifying change.



# HOUSE OF REPRESENTATIVES

HB 2595

late filings; campaign finance reports

Sponsor: Representative Mesnard

---

**DP** Committee on Elections

**X** Caucus and COW

House Engrossed

---

## OVERVIEW

HB 2595 clarifies that a penalty for a late filing of a campaign finance report only accrues until the day the report is filed.

## HISTORY

Arizona Revised Statutes (A.R.S.) § 16-918 regulates campaign finance reports, specifically, late fees for failure to file for political committees, candidates and their campaign committees, and designated individuals and their exploratory committees. If a campaign finance report is not submitted in a timely manner, the filing officer must send a notice of delinquency to the committee or individual responsible, within 15 days after the filing officer determines that the report was failed to be filed. The political committee or individual responsible for submittal of the report is liable for a \$10 late penalty for each business day in which the report is late, up to a maximum of \$450. For filings for an officeholder expense account, the late penalty is \$5 for each day in which the report is late, but the penalty only accrues on days in which the Secretary of State's office is open for business. Currently, the filing officer is prohibited from accepting any delinquent campaign finance report until all late penalties are paid.

## PROVISIONS

1. Specifies that a penalty for a late filing of a campaign finance report only accrues until the day the report is filed.
2. Prohibits a filing officer from refusing to accept a campaign finance report until all late penalties are paid.



# HOUSE OF REPRESENTATIVES

## HB 2608

elections; active registered voters  
Sponsor: Representative Mesnard

---

**DP** Committee on Elections

**X** Caucus and COW

House Engrossed

---

### OVERVIEW

HB 2608 changes the base number for determining the total percentage of signatures needed on nomination petitions, and decreases the percentage required.

### HISTORY

Arizona Revised Statutes (A.R.S.) § 16-311 requires candidates seeking office to file a nomination petition signed by registered voters in their district. Each signer of a nomination petition must sign only one petition for the same office unless more than one candidate is to be elected to such office. If an elector signs more nomination petitions than permitted, the earlier signatures are deemed valid, as determined by the date of the signature on the petition. Circulators must verify that each of the names on the petition was signed in their presence on the date indicated, and that it is believed each signer was a qualified elector who resides at the address given. For partisan elections, each signer must be a member of the party from which the candidate is seeking nomination, a member of a political party that is not entitled to continued representation on the ballot or a registered independent or no party preferred (A.R.S. § 16-321).

Nomination petitions must be signed by the number of qualified electors who are qualified to vote for the candidate whose nomination petition they are signing equal to a specified percentage of the voter registration of the candidate's party in the candidate's jurisdiction. For example, a candidate for the legislature must have their nomination petitions signed by the number of qualified electors who are qualified to vote for the candidate equal to at least 1% but not more than 3% of the total voter registration of the candidate's party in the district (A.R.S. § 16-322).

### PROVISIONS

1. Clarifies that the terms *registered voters*, *persons who are registered to vote*, *registered electors* and *voters registered* includes only *active* registered voters in statute for the purposes of:
  - a. Calculating petition signature requirements.
  - b. Mailing and distributing election-related notices, pamphlets or ballots.
  - c. Providing voting machines.
  - d. Furnishing ballots.
  - e. Determining qualification for political parties' continued representation on the ballot.
  - f. Choosing political party officers.
2. Defines *qualified signer* as:
  - a. A qualified elector who is a registered member of the party from which the candidate is seeking nomination.

- b. A qualified elector who is a registered member of a political party that is not entitled to continued representation on the ballot.
  - c. A qualified elector who is registered as an independent or no party preferred.
- 3. Changes the formula for calculating the required number of signatures for nomination petitions by:
  - a. Reducing the percentage of *qualified signers* needed.
  - b. Changing the base number against which the percentage is multiplied by including in that base number the number of registered voters in parties not entitled to continuing representation on the ballot and the number of independent voters and adding them to the number of registered voters in the candidate's party.
- 4. Changes the formula as follows:
  - a. For US senator, or state office, other than members of the legislature and superior court judges, from at least .5% to at least .25% of *qualified signers* in at least three counties in the state.
  - b. For US representative, from at least 1% to at least .5% of *qualified signers* in their district.
  - c. For legislature, from at least 1% to at least .5% of *qualified signers* in their district.
  - d. For county office or superior court judge, from at least 2% to at least 1% of *qualified signers* in the count or district.
    - i. For candidates in a county with a population of 200,000 persons or more, from at least .5% to at least .25% of *qualified signers*.
  - e. For justice of the peace or constables, from at least 2% to at least 1% of *qualified signers* in the precinct.
- 5. Makes technical, conforming and clarifying changes.





# HOUSE OF REPRESENTATIVES

HCR 2024

lieutenant governor; joint ticket  
Sponsor: Representative Mesnard

---

**DP** Committee on Elections

**X** Caucus and COW

House Engrossed

---

## OVERVIEW

HCR 2024 creates the office of Lieutenant Governor beginning in 2023 and sends this proposition to the ballot for voter approval at the 2016 general election.

## HISTORY

The Arizona Constitution Article 5, Section 6 designates the Secretary of State (SOS) as the successor of the Governor in event of death, resignation, removal from office or permanent disability. If the SOS fails to qualify as Governor, the Attorney General, State Treasurer or the Superintendent of Public Instruction, in the order named, succeed to the office of Governor.

According to the National Lieutenant Governors Association, 45 states have a lieutenant governor. Of these, 30 states require a joint election of the Governor and Lieutenant Governor. Arizona is one of five states that does not have a position of Lieutenant Governor. Of the other four states, two designate the SOS and two designate the President of the Senate to succeed the Governor.

In 2010, the Legislature referred Proposition 111 to the ballot. Proposition 111 would have constitutionally renamed the SOS as the Lieutenant Governor. The Lieutenant Governor would have run separately from the Governor in the primary election; each winner of their respective primaries from the same political party would then have run jointly on the ticket for Governor. Proposition 111 was not passed by the voters.

## PROVISIONS

### *Lieutenant Governor Appointment; General Election; Ballot*

1. Requires each nominee for the office of Governor to name a Lieutenant Governor at least 60 days before the general election.
2. Stipulates that the Lieutenant Governor will run on a ticket as a joint candidate in the general election and will have their name appear on the ballot below the name of the joint nominee for Governor.
3. Asserts that a single vote for a nominee for Governor at the general election will constitute a vote for that nominee's ticket, including the nominee for Lieutenant Governor.
4. States that the winning candidate for Governor at the general election means that winning candidate's nominee for Lieutenant Governor is the winning candidate for Lieutenant Governor.

### *Succession to Office*

5. Designates the Lieutenant Governor to succeed the office of Governor instead of the SOS.

6. Requires the Lieutenant Governor, upon succeeding the office of Governor, to appoint a person to serve as Lieutenant Governor upon approval by a majority vote of each house of the Legislature.
7. Designates the SOS to succeed to the office of Governor if both the Governor and Lieutenant Governor die, resign, are removed from office or are permanently disabled from discharging the duties of office within seven days of one another.
8. Directs the Governor to appoint a person to serve as Lieutenant Governor for any other vacancy in the office of Lieutenant Governor, upon approval by a majority vote of each house of the Legislature.

*Miscellaneous*

9. Becomes effective for the election of the term of office that starts in 2023.
10. Directs the SOS to submit this proposition to the voters at the next general election.
11. Removes conflicting language.
12. Makes technical and conforming changes.



## HOUSE OF REPRESENTATIVES

HB 2055

school bonds; technical correction

Sponsors: Representative Thorpe

---

### **DPA**

**S/E** Committee on Federalism & States' Rights

**X** Caucus and COW

House Engrossed

---

### **OVERVIEW**

HB 2055 makes technical changes.

### **SUMMARY OF THE PROPOSED STRIKE-EVERYTHING AMENDMENT TO HB 2055**

HB 2055 prohibits this state or any political subdivision from using any resource to enforce, administer or cooperate with changes made by the United States Environmental Protection Agency (EPA) to waters of the U.S.

### **HISTORY**

The Tenth Amendment of the United States Constitution provides that the powers not delegated to the United States by the Constitution, nor prohibited by it to the states, are reserved to the states respectively, or to the people. The Arizona Constitution, Article Two, Section Three states that to protect the people's freedom and to preserve the checks and balances of the U.S. Constitution, this state may exercise its sovereign authority to restrict the actions of its personnel and the use of its financial resources to purposes that are consistent with the Constitution.

The EPA was proposed by President Richard Nixon and began operation on December 2, 1970, after Nixon signed an executive order. The EPA has thirteen divisions and has 10 regions with each having a regional office that works with cases in those regions and has helped push legislation to regulate the regions.

The U.S. Army Corps of Engineers has approximately 37,000 dedicated Civilians and Soldiers delivering engineering services to customers in more than 130 countries worldwide. The mission of the U.S. Army Corps of Engineers is to deliver vital public and military engineering services, partnering in peace and war to strengthen our Nation's security, energize the economy and reduce risks from disasters. They are also responsible for design and construction of flood protection systems through various federal mandates.

### **PROVISIONS**

1. Prohibits this state or any political subdivision from using any personnel or financial resources to enforce, administer or cooperate with the changes proposed by the U.S. Army Corps of Engineers and the EPA; as described in the preamble to the definition of waters of the U.S.

### **AMENDMENTS**

**Committee on Federalism & States' Rights**

The strike-everything amendment was adopted.



# HOUSE OF REPRESENTATIVES

HB 2058

technical correction; electric generation suppliers

Sponsors: Representative Thorpe

---

**DPA**

**S/E** Committee on Federalism & States' Rights

**X** Caucus and COW

House Engrossed

---

## OVERVIEW

HB 2058 makes technical corrections.

### SUMMARY OF THE PROPOSED STRIKE-EVERYTHING AMENDMENT TO HB 2055

HB 2058 prohibits the state from funding any rule, policy or regulation issued by the federal government unless it has been affirmed by a vote of Congress and signed into law as prescribed by the United States Constitution.

## HISTORY

The Arizona Constitution, Article Two, Section Three provides to protect the people's freedom and to preserve the checks and balances of the U.S. Constitution, this state may exercise its sovereign authority to restrict the actions of its personnel and the use of its financial resources to purposes that are consistent with the Constitution by doing any of the following: passing an initiative or referendum, passing a bill, pursuing any other available legal remedy.

The Tenth Amendment of the United States Constitution provides the powers not delegated to the U.S. by the Constitution, nor prohibited by it to the states, are reserved to the states respectively, or to the people. The Arizona Constitution specifies that to protect the people's freedom and to preserve the checks and balances of the U.S. Constitution, this state may exercise its sovereign authority to restrict the actions of its personnel and the use of its financial resources to purposes that are consistent with the Constitution. If the people or their representatives exercise their authority pursuant to this section, this state and all political subdivisions of this state are prohibited from using any personnel or financial resources to enforce, administer or cooperate with the designated federal action or program.

## PROVISIONS

1. Prohibits this state or any political subdivision from using any personnel or financial resources to enforce, administer or cooperate with any rule, regulation or policy directive issued by an agency, board, commission, department or other entity of the federal government unless the rule, regulation or policy directive has been affirmed by a vote of Congress and signed into law as prescribed by the Constitution of the U.S.

## AMENDMENTS

### **Committee on Federalism & States' Rights**

The strike-everything amendment was adopted.



# HOUSE OF REPRESENTATIVES

## HB 2145

convention; delegates; limitations; oath

Sponsors: Representatives Thorpe, Borrelli, Finchem, et al.

---

**DP** Committee on Federalism & States' Rights

**X** Caucus and COW

House Engrossed

---

### OVERVIEW

HB 2145 outlines requirements and limitations for delegates participating in an Article V state convention.

### HISTORY

Article V of the United States Constitution provides that amendments to the Constitution can be proposed by either: the approval of two-thirds of both Houses of Congress, or on the application for a convention by two-thirds of the states' legislatures. Proposed amendments require three-fourths of the states' legislatures or three-fourths of the states' conventions for ratification. Congress may propose the mode of ratification.

Arizona Revised Statutes (A.R.S.) § 16-703 provides the qualifications of delegates including a platform statement which specifies the delegate's opinion on ratification of the amendment. The statement is to be filed with the Secretary of State's office with no less than 20 days before the election. The delegates selected will be from the candidates who are in favor of ratification. A.R.S. § 16-705 provides that there will be 15 delegates from the state. Delegates that violate their platform are found guilty of a Class 2 misdemeanor. Current law does not provide limitations or consequences to delegates who are sent to a state convention and vote for an unauthorized amendment.

### PROVISIONS

1. Restricts a delegate or alternate from voting to allow consideration or approval of an unauthorized amendment for ratification to the Constitution of the United States.
2. Requires a person who votes to allow consideration or approval of an unauthorized amendment to be removed and replaced by an alternate.
3. Requires a delegate or alternate from Arizona to uphold an oath and provides that oath.
4. Mandates that any person who violates the oath is guilty of a Class 2 misdemeanor.
5. Requires the Legislature or a person authorized by the Legislature to certify in writing the following:
  - a. Selection of delegates and alternates.
  - b. Recall and replacement of a delegate.
  - c. The nullification of unauthorized votes cast by a delegate or alternate.
6. Defines an *Article V Application*, *Article V Convention*, *Delegate*, *Alternate* and *Unauthorized Amendment*.



# HOUSE OF REPRESENTATIVES

HB 2175

public rights-of-way; claims

Sponsors: Representatives Finchem, Thorpe, Barton, et al.

---

**DPA** Committee on Federalism & States' Rights

**X** Caucus and COW

House Engrossed

---

## OVERVIEW

HB 2175 asserts and claims rights-of-way across public lands for the state.

## HISTORY

Revised Statute (R.S.) 2477 provides that the right-of-way for construction of highways across public lands not otherwise reserved for public purposes is hereby granted. This federal law authorized the construction of roads across federal public lands. It was enacted in 1866 and repealed in 1976 by Congress. Following the repeal of R.S. 2477, Congress enacted the Federal Land Policy Management Act (FLPMA). Section 701 of the FLPMA preserved all existing R.S. 2477 rights-of way that existed at the time of its passage.

The FLPMA lacks a formal administrative or judicial process to confirm the state or counties' ownership of R.S. 2477 rights-of-way. Each year hundreds of individuals and companies apply for rights-of-way on or across public lands. A rights-of-way grant is an authorization to use a specific piece of public land for specific facilities for a specific period of time. Currently the vast majority of the granted rights-of-way are authorized by Title V of FLPMA.

Arizona Revised Statutes (A.R.S.) § 37-902 provides that subject to existing rights, all public land not previously appropriated to private ownership are the property of the state and subject to its jurisdiction and control. A.R.S. § 37-908 allows the attorney general to initiate or defend an action commenced in any court to protect the interests of the state.

## PROVISIONS

1. Allows rights-of-ways to be acquired in the following ways:
  - a. The use by the state or political subdivision with the intention of establishing a public highway over public lands.
  - b. The construction or maintenance of a public highway over public lands.
  - c. The inclusion of the right-of-way in a state, county, or municipal road system, description, or map of public roads.
  - d. The expenditure of public funds on the highway.
  - e. The execution of a memorandum of understanding or other agreement with any United States Government agency that recognizes the right or obligation of this state or a county, city or town to construct or maintain a highway or a portion of one.
  - f. Any other affirmative act by the state or subdivision, consistent with federal, territorial or state law, indicating acceptance of a right-of-way.

2. Stipulates that the state does not recognize or consent, and has not in the past consented to the exchange, waiver, or abandonment of any revised statute right-of-way across public lands without formal, written, action that was taken by the entity that held the right-of-way.
3. Summarizes that no officer, employee or agent of the state, county, city or town has or had authority to exchange, waive or abandon a R.S. 2477 right-of-way; if such an event has taken place, it is void unless later ratification occurs by an official action.
4. Specifies that failure to conduct mechanical maintenance of a revised statute right-of-way does not affect the status of the right-of-way as a highway.
5. Specifies that the omission of a R.S. 2477 right-of-way from any plat, description, or map of public roads does not waive or constitute a failure to acquire a right-of-way under R.S. 2477.
6. States that the extent of a R.S. 2477 right-of-way is the dimension that is reasonable under the circumstance.
7. Outlines that a R.S. 2477 right-of-way includes the right to:
  - a. Widen a highway as necessary to accommodate increased public travel and traffic associated with all accepted uses.
  - b. Change or modify the horizontal alignment or vertical profiles as required by public safety and contemporary design standards.
8. Maintains that the public has the right to use a R.S. 2477 right-of-way to access public lands.
9. Establishes a landowner's right to use a R.S. 2477 right-of-way to access public land that completely surrounds or is adjacent to their privately owned land.
10. Asserts that this section does not affect the inclusion or exclusion of, or the obligation of maintaining, any highway, road, street or route in any system of state, county or municipal streets, roads or highways.

#### **AMENDMENTS**

1. Adds the language *across public lands* following every reference to *right-of-way*.
2. Specifies a R.S. 2477 right-of-way across public lands can only be closed by order of a court of competent jurisdiction or the proper completion of an administrative process established for the abandonment, maintenance, construction or vacation of a right-of-way otherwise allowed by law.
3. Maintains this section does not:
  - a. Apply to any R.S. 2477 right-of-way across private lands.
  - b. Impair, modify, or otherwise affect any private property rights in effect on the effective date.
4. States that any claim, determination, or identification of a right-of-way across public lands pursuant to this section does not establish prior rights for determining financial or legal responsibility for taking any private property rights.
5. Contains an emergency clause.
6. Makes technical and conforming changes.





# HOUSE OF REPRESENTATIVES

## HCM 2001

federal balanced budget amendment

Sponsors: Representatives Mesnard, Fann, Finchem, et al.

---

**DP** Committee on Federalism & States' Rights

**X** Caucus and COW

House Engrossed

---

### OVERVIEW

HCM 2001 urges Congress to propose and pass an amendment to the United States Constitution that will limit federal appropriations to not exceed federal revenues.

### HISTORY

Article I, Section 8 of the U.S. Constitution gives Congress the power to prescribe and collect taxes, to pay the debts, and to coin money and regulate its value. Article I, Section 9 of the Constitution states that no money shall be drawn from the Treasury, but in consequence of appropriations made by law; and a statement and account of the receipts and expenditures of all public money shall be published.

The Budget and Accounting Act of 1921 established the statutory basis for an executive budget by requiring the President to submit to Congress annually a proposed budget for the federal government. It also created the Bureau of the Budget (reorganized as the Office of Management and Budget in 1970) and the General Accounting Office (renamed the Government Accountability Office in 2004) to assist Congress as the principal auditing agency of the federal government.

### PROVISIONS

1. Requests Congress to propose and pass an amendment to the Constitution of the U.S. requiring that, in the absence of a national emergency, the total of all federal appropriations made by the Congress for any fiscal year not exceed the total of all estimated federal revenues for that fiscal year.
2. Requires the Secretary of State to transmit a copy to the President of the United States Senate, the Speaker of the United States House of Representatives, each Member of Congress from the State of Arizona and the Secretary of State and the presiding officer of both houses of the legislature in each state in the union.



# HOUSE OF REPRESENTATIVES

HB 2016

technical correction; mortgage guaranty insurance

Sponsor: Representative Mitchell

---

**DPA**

**S/E** Committee on Government & Higher Education

**X** Caucus and COW

House Engrossed

---

**OVERVIEW**

HB 2016 makes a technical change.

**Summary of the Proposed Strike-Everything Amendment to HB 2016**

**HISTORY**

Article 15 of the Arizona Constitution establishes the Arizona Corporation Commission (ACC) and Article 15 § 5 grants the ACC the sole power to issue certificates of incorporation to companies organizing under Arizona law and to issue licenses to foreign corporations to do business in Arizona.

The ACC is organized into 9 separate divisions. According to the ACC, in addition to other duties, the Corporations Division approves for filing all Articles of Incorporation for Arizona businesses; all Articles of Organization for Limited Liability Companies (LLCs); and grants authority to foreign corporations to transact business in this state. Any significant changes to Articles of Incorporation or Articles of Organization for Limited Liability Companies in the form of amendments, mergers, consolidations, dissolutions or withdrawals are also filed with the Division. All filings are public record and available for inspection.

Under current law, when the ACC approves any of the following filings, it is required to publish a copy of the filing within 60 days of approval:

Type of Filing	Statute
Articles of Incorporation	A.R.S. § 10-203 A.R.S. § 10-3203
Articles of Amendment	A.R.S. § 10-1006 A.R.S. § 10-11006 A.R.S. § 29-633
Restated Articles of Incorporation	A.R.S. § 10-1007 A.R.S. § 10-11007
Amendment Pursuant to Reorganization	A.R.S. § 10-1008

	A.R.S. § 10-11008
Statement of Merger	A.R.S. § 10-1105 A.R.S. § 10-11105 A.R.S. § 29-754
Dissolutions	A.R.S. § 10-1403 A.R.S. § 10-11403 A.R.S. § 10-2077 A.R.S. § 10-2143
Application by Foreign Corporation	A.R.S. § 10-1503 A.R.S. § 10-11503
Withdrawal of Foreign Corporation	A.R.S. § 10-1520 A.R.S. § 10-11520
Formation of an LLC	A.R.S. § 29-635

#### **PROVISIONS**

1. Requires the ACC to establish and maintain a database for all of the filings listed above.
  - a. The database must be posted on the ACC's website and be searchable to the public.
  - b. Information in the database must be maintained for at least 90 days.
2. Grants the ACC the option of inputting the filing into the database within 60 days of ACC approval, instead of publishing the filing.
3. Makes technical and conforming changes.

#### **AMENDMENTS**

##### **Government and Higher Education Committee**

1. The proposed strike-everything amendment was adopted.



# HOUSE OF REPRESENTATIVES

HB 2022

~~technical correction; home health agencies~~

NOW: tuition waiver scholarship; universities; revisions

Sponsor: Representative Brophy McGee

---

**DPA/SE** Committee on Government & Higher Education

**X** Caucus and COW

House Engrossed

---

## OVERVIEW

HB 2022 makes a technical correction relating to home health agencies.

### Summary of the Proposed Strike-Everything Amendment to HB 2022

The proposed strike-everything amendment to HB 2022 replaces the foster care tuition waiver age criteria with the requirement that the student be under the age of 23 to receive a tuition waiver.

## HISTORY

Arizona Revised Statutes § 15-1809 requires the Arizona Board of Regents and each community college district to develop a five-year pilot program to provide tuition waiver scholarships to foster care students. A student must meet each of the following conditions to be eligible for a tuition waiver:

- Resides in this state.
- Be any one of the following:
  - Currently in foster care and is at least 16 years old.
  - Previously in foster care at age 16 or older.
  - Previously adopted from foster care, if the adoption was finalized after the person was 16 years old.
- Be a U.S. citizen or a noncitizen that is lawfully residing in this country.
- Have total personal assets, not including scholarships or grants, worth less than \$10,000
- Be under the age of 21.
  - If, prior to the age of 21, the student received a tuition waiver and was making satisfactory progress towards a degree, the student may continue to receive a tuition waiver until age 23.
- Be accepted into or enrolled in a degree or certificate program at an Arizona public university or community college and demonstrate continuous progress towards a degree or certificate.
- Applies for federal student aid each year.
- Annually completes at least 30 hours of volunteer service.
- Remains in good standing with the policies established by the student's university or community college.

## PROVISIONS

1. Replaces the foster care tuition waiver age criteria with the requirement that the student be under the age of 23 to receive a tuition waiver.
2. Makes a conforming change.

#### **AMENDMENTS**

##### **Committee on Government & Higher Education**

1. The proposed strike-everything amendment was adopted.



# HOUSE OF REPRESENTATIVES

HB 2053

technical correction; television district establishment

Sponsor: Representative Thorpe

---

**DPA**

**S/E** Committee on Government & Higher Education

**X** Caucus and COW

House Engrossed

---

## **OVERVIEW**

HB 2053 makes a technical change.

### **Summary of Proposed Strike-Everything Amendment to HB 2053**

The proposed strike-everything amendment to HB 2053 requires the Arizona Department of Economic Security (DES) to develop a plan to transition adults off of public assistance and into the workforce.

## **HISTORY**

Laws 1972, Chapter 202 created DES to promote the safety, well-being, and self-sufficiency of children, adults and families within Arizona. DES supports enhanced safety and security for Arizonans by focusing on four key goals; strengthening individuals and families, enhancing self-sufficiency, collaborating with communities to enlarge their capacity, increasing efficiency and being effective through innovation and accountability.

DES administers several programs related to public assistance, including:

- Nutrition Assistance: In 2008, the U.S. Congress changed the name of the Food Stamp Program to the Supplemental Nutrition Assistance Program (SNAP). Arizona's program name is Nutrition Assistance (NA).
- Cash Assistance: The Temporary Assistance for Needy Families (TANF) Cash Assistance program provides temporary cash benefits and supportive services to the neediest of Arizona's children and their families. Eligibility is based on citizenship or qualified noncitizen resident status, Arizona residency and limits on resources and monthly income.

## **PROVISIONS**

1. Requires DES to develop a plan to transition able-bodied adults off of public assistance and into the workforce.
2. Allows the plan to include:
  - a. Applying for waivers from the federal government.
  - b. Seeking legislative changes.
  - c. Programmatic changes that DES can make administratively, in conjunction with other agencies and through rulemaking.

3. Requires DES to submit a report regarding the agency's initial plan goals, the goals that DES was able to meet in that year and any impediments experienced in implementation. The report must be submitted:
  - a. On or before March 30, 2016 and for three years after.
  - b. To the Speaker of the House of Representatives, the President of the Senate and the Governor, and provide a copy to the Secretary of State.
4. Repeals this section on January 1, 2020.

#### **AMENDMENTS**

##### **Government and Higher Education Committee**

1. The proposed strike-everything amendment was adopted.



# HOUSE OF REPRESENTATIVES

HB 2056

state bonds; technical correction

Sponsor: Representative Thorpe

---

**DPA**

**S/E** Committee on Government & Higher Education

**X** Caucus and COW

House Engrossed

---

## OVERVIEW

HB 2056 makes a technical change.

### Summary of the Proposed Strike-Everything Amendment to HB 2056

The proposed strike-everything amendment to HB 2056 restricts county and municipality zoning ordinances in relation to marijuana cultivation facilities and marijuana infusion production facilities.

## HISTORY

In 2010, Arizona voters passed Proposition 203, the Arizona Medical Marijuana Act (AMMA). AMMA permits the sale and use of marijuana for medicinal purposes, outlines the process for patients to qualify through the Arizona Department of Health Services (ADHS) and provides options for obtaining medical marijuana. AMMA can be found in Arizona Revised Statutes (A.R.S.) Title 36, Chapter 28.1. ADHS adopted rules for the implementation of AMMA ([AMMA Rules](#)), however the rules were litigated and are currently being updated.

A.R.S. § 36-2801 defines a *nonprofit medical marijuana dispensary* (Dispensaries) as a not-for-profit entity that acquires, possesses, cultivates, manufactures, delivers, transfers, transports, supplies, sells or dispenses marijuana or related supplies and educational materials to medical marijuana cardholders. A.R.S. § 36-2806 outlines requirements for Dispensaries, and links the cultivation of marijuana to the Dispensary. A.R.S. § 36-2806.01 permits cities, towns and counties to enact reasonable zoning regulations that limit the use of land for Dispensaries to specific areas.

For purposes of obtaining a Dispensary license, an applicant must first obtain a Dispensary registration certificate. Part of that process includes demonstrating that the location complies with local zoning requirements, if the city or county has enacted an ordinance pursuant to A.R.S. § 36-2806.01 (A.R.S. § 36-2804 and R9-17-304).

## PROVISIONS

1. Prohibits a municipality or county zoning ordinance from allowing a *marijuana cultivation facility* or a *marijuana infusion production facility* to be located within 2,500 feet of a:
  - a. Residential area,
  - b. Place of worship, or
  - c. School (public or private) and accompanying grounds.
2. Outlines the process for measuring distance.



3. Defines a *marijuana cultivation facility* and a *marijuana infusion production facility*.

#### **AMENDMENTS**

##### **Government and Higher Education Committee**

1. The proposed strike-everything amendment was adopted.



# HOUSE OF REPRESENTATIVES

HB 2121

~~agricultural improvement districts; technical correction~~  
NOW: municipal improvement districts; sale; description  
Sponsors: Representative Borrelli

---

DPA/SE Committee on Government & Higher Education

X Caucus and COW

House Engrossed

---

## OVERVIEW

HB 2121 makes a technical change.

### Summary of the Proposed Strike-Everything Amendment to HB 2121

The proposed strike-everything amendment to HB 2121 requires a street superintendent to include a *legal* description of the property sold in the execution of a certificate of sale and allows the description to include the parcel number or street address.

## HISTORY

Arizona Revised Statutes, Title 48, Chapter 4, Article 1 outlines the process by which a city or town council may order an improvement within an improvement district. A city or town council may order the extension or widening of a public right-of-way for any irrigation ditch, pipe line, water main or sewer within the municipality and acquire, by condemnation, any property necessary or convenient for that purpose. The city or town must pass an ordinance or resolution describing the improvement land boundaries and assessment and provide notice of the project. Immediately upon recording of the assessment with the street superintendent, the assessment is due and is considered a lien upon the property against which it is made. Any assessments not paid within 30 days become delinquent and the street superintendent is required to list delinquent assessments in the local newspaper. Within 5 to 10 days after the publication of the list, any delinquent properties may go to sale, or be paid off and taken off the list.

After the sale of delinquent property, the street superintendent must execute, in duplicate, a certificate of sale setting forth each of the following (A.R.S. § 48-529):

- A description of the property sold.
- The name of the owner as given on the assessment roll.
- That the property was sold for a delinquent assessment, specifying the improvement for which the assessment was made.
- The amount for which the property was sold.
- The date of sale.
- The name of the purchaser and the time they will be entitled to the deed.

Statute defines a *street superintendent* as any officer or board who is in charge of streets or the improvement thereof in a municipality. In a city or town having no street superintendent, the council may appoint a person to perform the office's duties (A.R.S. § 48-501).

### **PROVISIONS**

1. Requires a street superintendent to include a *legal* description of the property sold when executing a certificate of sale of delinquent property.
2. Allows the description to include the parcel number or street address, if any.
3. Makes technical changes.

### **AMENDMENTS**

#### **Committee on Government & Higher Education**

1. The strike-everything amendment was adopted.



# HOUSE OF REPRESENTATIVES

HB 2261

university admissions; CTE; fine arts

Sponsors: Representatives Bowers: Barton, Finchem

---

**DP** Committee on Government & Higher Education

**X** Caucus and COW

House Engrossed

---

## **OVERVIEW**

HB 2261 requires the Arizona Board of Regents (ABOR) to accept career and technical education credits in place of fine arts credits required for university admission.

## **HISTORY**

ABOR is a governing board that oversees Arizona's public universities: Arizona State University, Northern Arizona University and the University of Arizona. Arizona Revised Statutes (A.R.S.) § 15-1626 stipulates that one of ABOR's statutory duties is to establish qualification requirements for admissions to a public university. Statute also requires that a set of requirements be established for guaranteed acceptance of Arizona residents to a state university. These qualifications must be equally accessible to students who have attended public schools, private schools, charter schools or have been homeschooled. Statute also provides procedures to be taken when considering the qualifications of honorably discharged veterans.

Arizona residents may be eligible for guaranteed admission to a state university based on certain criteria, one of which includes showing a basic competency in the subjects:

- English
- Mathematics
- Laboratory Science
- Foreign Language
- Social Science
- Fine Arts

Students who do not qualify for guaranteed admission are allowed to be one credit short in two of the previously listed basic competency subjects. In this case, admission is decided on by the university. (ABOR 2-121)

**PROVISIONS**

1. Requires ABOR to accept credits in career and technical education, in lieu of fine arts credits, for university admissions requirements.



# HOUSE OF REPRESENTATIVES

HB 2297

state agency rulemaking; restrictions

Sponsor: Representative Farnsworth

---

**DP** Committee on Government & Higher Education

**X** Caucus and COW

House Engrossed

---

## OVERVIEW

HB 2297 prohibits agencies from adopting rules that would increase existing regulation on property rights or business, unless the rule is part of an overall effort to reduce regulatory burdens or it is strictly ministerial.

## HISTORY

The process of formulation and finalization of state rules is called rulemaking; it is governed by Arizona Revised Statutes (A.R.S.) Title 41, Chapter 6, Article 3. A.R.S. § 41-1001, paragraph 19 defines a *rule* as an agency statement of general applicability that implements, interprets or prescribes law or policy, or describes the procedure or practice requirements of an agency. *Rule* includes prescribing fees or the amendment or repeal of a prior rule, but does not include intra-agency memoranda that are not delegation agreements. A.R.S. § 41-1003 requires agencies to make rules of practice for formal procedures available to the public.

The rulemaking process includes specific public notice provisions, opportunities for stakeholder comment and final review by the Governor's Regulatory Review Council. A.R.S. Title 41, Chapter 6, Article 3 also provides for expedited and emergency rulemaking authorities in certain situations.

A.R.S. § 41-1030 declares agency rules invalid unless made and approved pursuant to the applicable laws of Title 41, Chapter 6. This section also prohibits agencies from making a rule that:

- Exceeds the subject covered by the specific rulemaking authority granted in statute, or
- Is made under a general grant of rulemaking authority to supplement a more specific grant of rulemaking authority.

## PROVISIONS

1. Prohibits an agency from adopting any rule that would increase regulatory restraints or burdens on the free exercise of property rights or the freedom to engage in lawful business, unless the rule is:
  - a. Part of a comprehensive effort to reduce regulation.
  - b. Ministerial, for purposes of implementing legislative standards that clearly exhibit legislative determination on relevant public policy.
2. Grants an affirmative defense to any person subject to a civil or criminal proceeding arising from the enforcement of an illegal rule, relative to the enforcement action.

3. Requires any court or administrative body reviewing the defense to rule on merits without deference to legislative, administrative or executive findings regarding the rule.
4. Allows the court or administrative body to award attorney fees and costs to the prevailing party, unless the agency prevails.
5. Excludes the following from the prohibition:
  - a. Rules that govern public employees.
  - b. Rules necessary for specific health regulatory boards to provide public safety and enforce standards of care.
  - c. State agencies, boards, commissions, departments, officers or other administrative units that are established in the Arizona Constitution.



# HOUSE OF REPRESENTATIVES

HB 2398

residential tow truck parking; limitation

Sponsor: Representative Pratt

---

**DP** Committee on Government & Higher Education

**X** Caucus and COW

House Engrossed

---

## **OVERVIEW**

HB 2398 specifies that a municipality may not prohibit a single tow truck from being parked at the driver's residence if the driver is required to be on-call.

## **HISTORY**

Arizona Revised Statutes (A.R.S.) § 28-1108 stipulates that a person may not operate a tow truck for the purposes of towing without registering with the director of the Department of Public Safety (DPS), obtaining a bond, and obtaining a permit pursuant to DPS rules governing tow trucks.

Municipalities adopt ordinances and codes for the purposes of regulation within the municipality. *Code* means a published compilation of rules or regulations prepared by a technical trade association and includes any code which embraces rules and regulations pertinent to a subject which is a proper subject of municipal legislation (A.R.S. § 9-801).

## **PROVISIONS**

1. States that a municipality may not prohibit a tow truck driver from parking a single tow truck at the driver's residence if the driver is required to be on-call.





# HOUSE OF REPRESENTATIVES

HB 2441

taxing districts; boundary changes; procedures

Sponsors: Representatives Livingston: Gray, Montenegro, et al.

---

**DP** Committee on Government & Higher Education

**X** Caucus and COW

House Engrossed

---

## OVERVIEW

HB 2441 alters the process for changing specific special taxing district (District) boundaries by adding additional notice provisions and limiting expansion into city or town planning areas.

## HISTORY

### *Districts*

Arizona Revised Statutes (A.R.S.) Title 48 governs the creation, authority, responsibilities and accountability for Districts. Statute provides for 42 different types of Districts, which may be formed to provide a specific service to residents of the District (for example, fire, hospital or sanitary services). Districts raise revenue through taxes levied on behalf of the District; the two options to generate funds are an ad valorem property tax (secondary levy) or a special sales tax. New fire, community park maintenance, sanitary and hospital Districts must be approved by the county board of supervisors, following the process outlined in A.R.S. § 48-261.

A.R.S. § 48-262 prescribes the process for changing the boundary of a fire, sanitary or community park maintenance District. The statute requires a person interested in making this change to:

- Provide a legal description of the area that would be included in the District, and
- Prepare a boundary change impact statement (Statement) containing specific information outlined in the law.

The Statement is then submitted to the District's governing body, at which time a hearing is scheduled to take comments on the proposed change (either in writing from the board of supervisors or via testimony provided at the hearing). The District may approve the Statement and authorize petition circulation regarding the boundary change, or deny the request. Statute outlines the process for establishing the minimum number of signatures required and the format of the petitions. Once petitions are received, a hearing must be called and if the petitions are valid, the governing body must order the boundary change. The District governing body's decision is final, but may be appealed to superior court.

### *Fire Districts*

Counties are not statutorily authorized to provide fire or emergency medical services. To obtain fire protection and medical services, some form fire Districts while others contract with a private provider through community associations. Fire Districts are political subdivisions of the state that are responsible for providing fire services within a specified area and are funded by self-taxation of the residents and businesses under the jurisdiction of the District.

## **PROVISIONS**

1. Requires a fire, community park maintenance or sanitary District Statement (boundary change) to include:
  - a. A description of the planning areas and boundaries of each potentially affected city or town.
  - b. If property that is proposed to be added to the District is within a city or town planning area.
    - i. For a fire District, an explanation of whether the fire District is able to provide the same level of service, capital investment and facilities for the proposed additional area in comparison to other property within the fire District:
      1. Using only District resources.
      2. Without utilizing the resources of an adjacent city or town.
2. Requires notice of the Statement be sent by the clerk of the governing body via first class mail to:
  - a. Any agency or political subdivision of the state or federal government that owns land within the boundary of the proposed change.
  - b. The clerk of any city or town if the proposed land that would be added to the District is part of the city or town's planning area.
3. Directs the governing body of the city or town, as appropriate, to order a review of the proposed change.
4. Allows the city or town governing body to submit written comments regarding the proposal to the District governing body.
5. Permits written comments to be submitted to the District up to 20 days after receiving the notice, instead of up to 10 days.
6. Requires the governing body of the District to consider the comments provided by the city or town.
7. Redefines *contiguous* for purposes of annexation into a fire District by stating that land is considered contiguous if:
  - a. It is owned by or under the jurisdiction of the federal government and it intervenes between the proposed addition and the current fire District boundary, or
  - b. It is owned by the or under the jurisdiction of the state or a political subdivision, it is included in the proposed addition and the state or governing body of the political subdivision has approved the addition.
    - i. Current law prohibits the annexation of land into a District that is not contiguous to the current boundary. The proposed addition is still considered contiguous if there is land that is owned by the federal government, the state or another political subdivision (except an incorporated city or town) included within the boundary.
8. Prohibits approval of the annexation if the proposed area is in a city or town planning area and:
  - a. There is a private entity providing service the area proposed to be annexed, or
  - b. The fire District is not able to provide the same level of service in comparison to other property within the existing fire District:
    - i. Using only fire District resources.
    - ii. Without utilizing the resources of an adjacent city or town.

9. Limits the expenditure of District monies for assistance to individuals seeking to change the District's boundaries to informational and impartial events, materials and matters only. Requires the District's board to remain impartial.
10. Permits the Attorney General or county attorney in the county where the majority of the District is located to file an action in superior court to remedy a violation related to the expenditure of monies in an impartial manner.
11. Specifies that requests made by a Maricopa County property owner include the owner's land in the District's boundaries, until July 1, 2015:
  - a. If the land is included in a city or town's planning area, the city or town's governing body must approve the change by ordinance or resolution.
  - b. If the request is for inclusion in a fire District, city or town governing body approval is not required if the fire District will:
    - i. Provide the same level of service in comparison to other property within the fire District,
      - I. Using District resources only, and
      - II. Not utilizing the resources of any adjacent city or town.
12. Requires, beginning the first year after the effective date of this bill and annually after, a fire District to adopt or revise a map identifying a fire District Planning Area (Area) that includes all areas that the fire District expects to annex in the next 10 years. The fire District must:
  - a. Identify areas expected to be annexed that are anticipated to receive a lower level of service in comparison to the rest of the fire District.
  - b. Notify cities and towns within the Area or within one mile of the Area.
13. Specifies that a fire District may only contract for fire protection or emergency medical services to cover an area outside of the District boundary if:
  - a. The property is not within a city or town planning area, or
  - b. The District has notified the city or town of the intent to provide service, and:
    1. The District is able to provide the same level of service in comparison to other areas in the District,
      - a. Using District resources only, and
      - b. Not utilizing the resources of any adjacent city or town.
14. Makes technical, clarifying and conforming changes.



# HOUSE OF REPRESENTATIVES

HB 2442

community college expenditure limits; recalculation

Sponsor: Representative Olson

---

**DPA** Committee on Government & Higher Education

**X** Caucus and COW

House Engrossed

---

## OVERVIEW

HB 2442 requires the Economic Estimates Commission (Commission) to recalculate the expenditure limits for each community college district after the October full-time equivalent student enrollment (FTSE) report is produced by the Office of the Auditor General (OAG).

## HISTORY

Arizona Revised Statutes § 15-1466.01 establishes the process by which FTSE is calculated in the Arizona community college system. Basic actual FTSE is calculated by adding the total number of full-time equivalent students enrolled as of 45 days after classes begin for both the fall and spring semesters, and dividing the sum by two. Additional formulas exist to calculate student enrollment in short-term, skill center and open entry, open exit courses. The sum of all four FTSE counts is the basis for determining the amount of state aid a community college district will receive. The OAG is required to audit the FTSE reported by each community college district and submit a report of its findings by October 15 of each year.

The Commission is responsible for estimating personal income and the percent change in per capita personal income in Arizona for each fiscal year (FY). The Commission calculates the maximum amount expected to be available for legislative appropriations from state tax revenues and the required appropriation to or transfer from the budget stabilization fund for each FY. The Commission is also responsible for calculating the expenditure limits for counties, cities and towns, community colleges and the aggregate expenditure limitation for all school districts (Arizona Department of Revenue).

The Commission calculates the expenditure limitation for a community college district by adjusting the district's expenditures of local revenues in FY 1980 for changes in student population and inflation (OAG).

## PROVISIONS

1. Requires the Commission, after the close of each FY, to recalculate the expenditure limitation for each community college district by December 1, using the OAG's October FTSE report.
2. Makes technical and conforming changes.

## AMENDMENTS

### **Committee on Government & Higher Education**

1. Requires each community college district to submit its FTSE calculation to the Joint Legislative Budget Committee (JLBC).

2. Directs JLBC to evaluate the validity and accuracy of the community college district's FTSE data and report an approved or revised calculation to the Commission and the community college district.
3. Requires the Commission to use the FTSE calculation reported by JLBC to calculate the community college district's expenditure limit.
4. Removes the requirement that the Commission recalculate community college district expenditure limits, using the OAG's October FTSE report.



# HOUSE OF REPRESENTATIVES

## HB 2551

state, county employees; precinct committeemen

Sponsors: Representatives Weninger, Mesnard

---

**DPA** Committee on Government & Higher Education

**X** Caucus and COW

House Engrossed

---

### OVERVIEW

HB 2551 allows state and county employees to serve as precinct committeemen.

### HISTORY

The federal Hatch Act was passed by Congress in 1939 to limit certain political activities of federal employees, as well as some state, D.C. and local government employees who work with programs that receive federal funds. According to the Office of Special Counsel, which investigates Hatch Act violations, the purposes of the Hatch Act are to ensure that federal programs are administered in a nonpartisan fashion, to protect federal employees from political coercion in the workplace and to ensure that federal employees are advanced based on merit and not based on political affiliation.

State law also mirrors some provisions of the federal Hatch Act. Specifically, Arizona Revised Statutes (A.R.S.) § 41-752 generally prohibits state employees from engaging in political activities while on duty, in uniform or at public expense. The statute prohibits any state employee from holding any paid, elected public office, and also prohibits an employee from being:

- A member of any national, state or local committee of a political party
- An officer or chairperson of a partisan political club
- A candidate for nomination or election to any paid public office
- In the management of any partisan or nonpartisan campaign or recall effort

Exemptions are provided for employees to express opinions, attend meetings, vote, sign or circulate petitions and to make or solicit political contributions. The prohibition on being an officeholder does not extend to employees who run for seats on school district or community college governing boards.

*Employee* is defined as all officers and employees of this state, whether in covered or uncovered service, unless otherwise noted.

### PROVISIONS

1. Permits a county or state employee to serve in the office of precinct committeemen.
2. Applies the provisions of A.R.S. § 41-752 to county employees.
3. Makes a conforming change.

### AMENDMENTS

#### **Committee on Government & Higher Education:**

1. Removes language that applies the state statute to county employees (A.R.S. § 41-752).



# HOUSE OF REPRESENTATIVES

HB 2587

state agencies; credit cards

Sponsors: Representatives Finchem, Borrelli, Cobb, et al.

---

**DPA** Committee on Government & Higher Education

**X** Caucus and COW

House Engrossed

---

## OVERVIEW

HB 2587 requires the State Treasurer (Treasurer) to contract for electronic payment processing for all state agencies that accept credit cards for payment.

## HISTORY

The duties of the Treasurer are outlined in Arizona Revised Statutes § 41-172. Primarily, the Treasurer's Office:

- Manages a balance of more than \$13 billion in fixed income and equity investments in 25 different investment pools. ([State Treasurer's Office](#))
  - These investments are comprised of state taxes, fees and other revenues; local government investment deposits; and state land trust endowment funds.
- Directs the state's banking services.

According to the Treasurer's Office, as part of the servicing bank contract, the Treasurer also contracts for merchant card services. The contract term for the merchant card processing service is the same as the overall servicing bank contract. County and municipal governments can also take advantage of the card acceptance discount rates contracted for by the Treasurer's Office for their own merchant card servicing.

## PROVISIONS

1. Requires the Treasurer to issue a request for proposals on or before January 1, 2017 for electronic payment processing for all state agencies that accept credit cards for payment. The Treasurer must award two contracts to two separate entities.
2. Prohibits a state agency from entering into a new contract or renewing an existing contract for electronic payment processing, upon expiration of any existing contract.
3. Exempts the selection of the authorized agent(s) for electronic payment processing from the Arizona Procurement Code (APC), but requires the selection process to be substantially similar to the APC.
4. States that any convenience fee charged for the use of an electronic payment is charged pursuant to the payment processing contractor's rules.
5. Makes technical and conforming changes.

## AMENDMENTS

**Committee on Government & Higher Education**

### *Local Governments*

1. Allows, on majority vote of the governing body, a local government to accept credit cards for the payment of any amount due.
2. Allows a local government to enter into an agreement with one or more financial institutions or service providers for processing credit cards.
3. Requires the agreement to outline fees and how they will be paid.
4. Permits a local government to use the contract established by the Treasurer for electronic processing of payments.
5. Prohibits a local government that accepts credit cards from receiving or retaining any convenience fee, surcharge or other fee:
  - a. Directly or indirectly,
  - b. In an amount greater than the amount due to the local government.
6. Prohibits a financial institution or service provider from paying, refunding, rebating or returning any portion of a convenience fee, surcharge or other fee:
  - a. Directly or indirectly,
  - b. Paid in connection with a credit card transaction.
7. Allows a local government to charge a convenience fee or surcharge on the person making the payment via credit card.
  - a. The amount charged cannot exceed the amount of a processing fee charged to the local government.
  - b. Specifies that convenience fees or surcharges are not refundable.
8. Defines *credit card* and *local government*.

### *Miscellaneous*

9. Requires the Treasurer to award a contract to one or more entities for the electronic processing of payments, instead of requiring two contracts for two separate entities.
10. Makes a clarifying change.





# HOUSE OF REPRESENTATIVES

HB 2588

certificates of necessity; political subdivisions

Sponsor: Representative Stevens

---

**DPA** Committee on Government & Higher Education

**X** Caucus and COW

House Engrossed

---

## OVERVIEW

HB 2588 outlines a process for municipalities and fire districts within Maricopa County in partnership with current ambulance service providers to manage emergency medical services (EMS) by issuance of a certificate of necessity (CON) for local community-integrated paramedicine.

## HISTORY

Laws 1973, Chapter 158 established the Arizona Department of Health Services (DHS). Within DHS is the Bureau of Emergency Medical Services and Trauma System (Bureau) which is responsible for coordinating, establishing and administering a statewide system of EMS, trauma care and a trauma registry. The Bureau's mission is to protect the health and safety of people requiring EMS; promote improvements in Arizona's EMS and trauma system through research and education of the public and EMS providers; and provide courteous, professional and responsible service to the public and EMS providers.

The director of DHS (Director) is statutorily required to adopt rules to regulate the operation of ambulances and ambulance services in this state. The rules create mandates for DHS including the responsibility to regulate ambulance operating and response times, ensure adequate service, issue, amend, transfer, suspend or revoke CONs and require ambulance services to file an annual financial report with DHS no later than 180 days after completion of its annual accounting period (Arizona Revised Statutes § 36-2232).

Ambulance services in this state are regulated through a CON system. A CON is issued by DHS to an ambulance service provider and describes the service area, level of service, type of service, hours of operation, effective date, expiration date and legal name and address of the ambulance service. An initial CON is valid for one year and renewals are valid for three years. Currently, there are approximately 87 CONs within Arizona.

According to DHS, *community paramedicine* is a paradigm shift in which paramedics function outside of their emergency response and transport roles and transition into a community health role, including primary care and prevention.

## PROVISIONS

1. Asserts that in a county with a population of 3,000,000 or more, to manage the needs in EMS for local community-integrated paramedicine that provides for timely, sustainable and reliable access, all of the following apply:
  - a. The Director must issue a CON for ambulance service for local community-integrated paramedicine to either of the following:
    - i. A municipality or fire district.

- ii. A municipality or fire district that has an intergovernmental agreement under an automatic aid system of fire department response with a contiguous municipality or fire district or any portion of that municipality or fire district that is located in another county.
- b. The CON must be issued without a hearing within 30 days after receiving a written request.
- c. All of the following must be included in the written request:
  - i. A description of the local community-integrated paramedicine model or mobile health care service.
  - ii. The service area requested, which may include any contiguous service areas outside the county.
  - iii. The level of ambulance service.
  - iv. The type of ambulance service.
  - v. The proposed effective date of the ambulance service.
  - vi. The legal name and address of the ambulance service.
  - vii. The response times of the ambulance service.
  - viii. The name of the ambulance service's authorized representative.
  - ix. The response times of the ambulance service.
  - x. The name of the ambulance service's authorized representative.
  - xi. A request for a certificate of registration to operate an ambulance.
  - xii. A description of the collection of real-time on-scene clinical data and informational exchange system method or electronic patient care record that will be electronically submitted to DHS and to other health care providers.
  - xiii. A copy of the DHS-approved or proposed contract with the municipality or fire district with a certificated ambulance service for ambulance transport in response to the 911 emergency telephone system, for all or part of the service area by another certificated ambulance service, if any.
  - xiv. A list of health care facilities, networks, systems or organizations, which include contractors under Arizona Health Care Cost Containment System, for use within the service area that affect the delivery of cost-effective health care and the continuity of care for the patient.
- 2. Stipulates that the Director's established uniform rates and charges for ambulance service in the service area are the general rates and charges for the ambulance service's requested CON.
- 3. Requires the service area granted under this Act to be described pursuant to statute by one or any combination of the following:
  - a. Metes and bounds.
  - b. A municipality or political subdivision not limited to a specific date.
  - c. A municipality or political subdivision as of a specific date that does not include annexation.
- 4. Requires the holder of a CON granted pursuant to this Act to submit an annual report on or before January 31<sup>st</sup> of each year to the Director that includes:
  - a. Any changes to the information required to be submitted.
  - b. A description of the categories and volume in ambulance transport to emergency rooms.
  - c. Transport to alternative destinations and treatment with no transport and referral outcomes in community-integrated paramedicine and ambulance service.
- 5. Allows a certificated ambulance service provider to establish additional rates and charges to third-party payers, in addition to other rates and charges authorized by DHS, including payments for treatments at home or on-scene treatments with a referral for the patient's

health care plan, referral services and outcomes for community-integrated paramedicine services and mobile health services.

- a. Does not include additional rates or charges for ambulance transport to emergency departments or inter-facility transports between health care facilities.

6. Makes conforming changes.

#### **AMENDMENTS**

##### **Committee on Government & Higher Education**

1. Clarifies that a CON granted under this Act is in effect only for the duration of the public-private partnership agreement between a municipality or fire district and a certificated ambulance service for local community-integrated paramedicine.
2. Includes 911 public dispatch in the CON service issued by the DHS Director in addition to local community-integrated paramedicine.
3. Modifies the requirements of the written request and removes the following:
  - a. The service area requested, which may include any contiguous service areas outside of the county.
  - b. The level of the ambulance service.
  - c. The type of the ambulance serve.
4. Removes language notwithstanding A.R.S. §§ 36-2233, 36-2234.
5. Strikes references to *mobile health services*.



# HOUSE OF REPRESENTATIVES

HB 2647

information technology; Title 18

Sponsor: Representative Stevens

---

**DPA** Committee on Government & Higher Education

**X** Caucus and COW

House Engrossed

---

## OVERVIEW

HB 2647 establishes a separate Arizona Revised Statutes (A.R.S.) Title governing information technology (IT) in state and local governments and prescribes new requirements for use of state computers, purchasing of software, electronic filing and data encryption.

## HISTORY

A.R.S. Title 41, Chapter 32, Article 1 outlines government IT as it relates to state budget units (Unit). Statute defines a *Unit* as a department, commission, board, institution or other Arizona agency receiving, expending or disbursing state funds or incurring obligations of the state. The Arizona Board of Regents (ABOR) is included as a Unit, but universities under ABOR, the community college districts and the legislative and judicial branches are excluded. This section defines *IT* as all computerized and auxiliary automated information processing, telecommunications and related technology, including hardware, software, equipment, projects and vendor support and related services.

The Arizona Department of Administration (ADOA) is responsible for developing, implementing and maintaining a coordinated statewide IT plan. One requirement of the plan is to include statewide technical, coordination and security standards for IT. A.R.S. § 41-3507 establishes a Statewide Information Security and Privacy Office (Office) within ADOA to serve as the strategic planning, facilitation and coordination office for IT security in Arizona. The Office is required to develop, maintain and ensure compliance by each Unit with a coordinated statewide assurance plan for information security and privacy. The Office is also required to:

- Conduct information security and privacy protection compliance reviews with each Unit.
- Identify information security and privacy protection risks in each Unit and direct agencies to adopt risk mitigation strategies, methods and procedures to lessen risks.
- Monitor and report compliance of each Unit with state information security and privacy protection policies, standards and procedures.
- Coordinate statewide information security and privacy protection awareness and training programs.
- Develop strategies to protect Arizona's IT infrastructure and the data that is stored on or transmitted by, such infrastructure.

## PROVISIONS

### *Transfer and Renumber of IT Statutes*

1. Transfers the following existing sections of law into A.R.S. Title 18:

- a. A.R.S. Title 41, Chapter 32, related to Government Information Technology, including statutes related to:
  - i. The Information Technology Authorization Committee
  - ii. Alternative access to IT
- b. A.R.S. Title 41, Chapter 39, related to information obtained and disseminated by state or local governments
- c. A.R.S. Title 41, Chapter 46, related to government reporting of information
- d. A.R.S. Title 41, Chapter 51, related to authorization of electronic third party service providers
- e. A.R.S. § 41-127, related to the Data Processing Acquisition Fund
- f. A.R.S. § 41-132, related to electronic and digital signatures
- g. A.R.S. § 41-134, related to electronic database procedures
- h. A.R.S. § 38-542, related to the filing of public officer disclosure statements
- i. A.R.S. Title 44, Chapter 30, related to spyware
- j. A.R.S. Title 44, Chapter 29, related to internet representation
- k. A.R.S. § 44-7501, related to notification of security breach or compromised information

#### *Software Development and Purchasing*

- 2. Requires ADOA to evaluate all IT software development for Units.
- 3. Requires Units to:
  - a. Make software suitable for other Units developed by a third party or in-house, available to ADOA.
  - b. Purchase commercial off-the-shelf software from a retail provider.
  - c. Contract with an independent third party for all new software development.
- 4. Prohibits Units from developing new software in-house or modifying current software unless the software was developed before 2005.

#### *Use of State Computers*

- 5. Requires Units to provide a notice on all state computers (owned or leased) and outlines the contents of the notice.
- 6. Requires the user of a state computer to accept terms and conditions outlined in the notice prior to logging into the system.

#### *Government Websites*

- 7. Requires public bodies operating a website to use the second-level domain name “.gov” for their website.
  - a. *Public body* is defined in [A.R.S. 38-431](#)

#### *Data Encryption and Validity*

- 8. Requires all Units to encrypt data if the information is stored or sent over a network, intranet or the internet. Resources that store, process or transmit sensitive data must be encrypted.
- 9. Requires ADOA to adopt a minimum encryption standard and outlines requirements of the standard.
- 10. Requires Units to purchase new IT systems that meet the minimum encryption standard adopted by ADOA.
  - a. Units must establish a plan to upgrade systems to meet the encryption standard.

- b. The plan must be submitted to ADOA.
  - c. Outlines requirements of the plan.
11. Exempts hardware and software that is not more than 10 years old from the encryption requirements.
  12. Mandates ADOA use any acquired or produced data set to ensure validity of data retained by the state.
  13. Restricts the construction, population of or editing of these data sets to ADOA.
  14. Requires ADOA to maintain and upgrade data sets and provide interface for the state.
  15. States that ADOA must maintain a current copy of the United States Postal Service (USPS) Address Information System (AIS) Carrier Route Product, for purposes of address verification by Units.
  16. Requires ADOA to upgrade and provide the interface used by the state and local governments.

#### *Electronic Filing*

##### Campaign Finance

17. Allows the Secretary of State (SOS) to develop an electronic filing system for campaign finance statements, designations and reports required by law, subject to legislative appropriation.
18. Allows any political subdivision to opt into the system and prescribes the process for opt in.
19. Requires the system to comply with current formats as required by law.
20. Requires the SOS to issue state licenses to applicants, upon approval from the agency that received the application and subject to legislative appropriation.

##### Agency-Issued Licenses

21. Directs the SOS to establish and maintain an electronic database of all agency-issued licenses. The database must be electronically searchable by the public.
22. Outlines specific information that must be sent to the SOS from the agency upon approval of an applicant and issuance of the license by the SOS for purposes of inclusion in the database:
  - a. The licensee's name and contact information
  - b. Status of the license
  - c. Education and training of the licensee
23. Defines *agency* and *license*.

#### *Internet Representation*

24. Modifies the current offense of illegal internet representation by clarifying that the offense must be committed with the intent to commit fraud or theft.
  - a. Current law prescribes a Class 5 felony for the use of email or a website to solicit personal information while falsely representing oneself as an online business, without the business's permission.
25. Increases the amount that can be recovered by the Attorney General, internet provider or website owner for a violation to actual damages or \$2,500 per violation, whichever is greater.

26. Allows recovery of damages by any person who is adversely affected by a violation in the amount of \$5,000 or actual damages, whichever is greater. Also allows the person to bring an action to enjoin further violations.
27. Requires all actions to obtain civil relief be brought within three years of:
  - a. Discovery of the violation, or
  - b. When the violation should have been discovered using reasonable diligence, whichever is earlier.

#### *Miscellaneous*

28. Creates an interface for ADOA to maintain and upgrade related to vital records. Requires ADOA to notify the state Registrar of Vital Records (Registrar) of conflicting data, and requires the Registrar to mitigate data conflict.
29. Repeals A.R.S. Title 12, Chapter 6, related to liability for Year 2000 implementation failures.
30. Contains a Prop 105 clause.
  - a. Relates to conforming changes in Early Childhood Development Program.
31. Makes numerous technical and conforming changes.

#### **AMENDMENTS**

##### **Government and Higher Education Committee**

1. Requires ADOA to use the vital records database to verify state records for detection of identity theft and fraud, on a quarterly basis.
2. Clarifies that use of the USPS AIS Carrier Route Product is on demand.
3. Excludes the Arizona Corporation Commission from the definition of an *agency* for purposes of SOS issuance of licenses.
4. Removes the conforming change that triggered the Prop 105 clause.
5. Removes the Prop 105 clause.



# HOUSE OF REPRESENTATIVES

## HCR 2028

civilian conservation corps; recognition

Sponsors: Representatives Saldate, Cardenas, Coleman, et al.

---

**DP** Committee on Government & Higher Education

**X** Caucus and COW

House Engrossed

---

### OVERVIEW

HCR 2028 recognizes the efforts and accomplishments of those who served in the Civilian Conservation Corps Program (CCC) in Arizona.

### HISTORY

The CCC was established on March 31, 1933 by the Emergency Conservation Work Act as one of the first of President Franklin D. Roosevelt's New Deal programs. The goal of the CCC was to conserve natural resources while providing work for unemployed individuals.

Arizona was home to approximately 50 CCC camps and employed a total of 41,363 individuals. Some of the accomplishments of the CCC included:

- Stringing 3,559 miles of telephone lines
- Building 512,093 erosion control check dams
- Planting 7.4 million trees
- Improving and constructing infrastructure throughout the South Mountain and Grand Canyon National Parks
- Leading rescue operations during winter storms

### PROVISIONS

1. Resolves that Members of the Legislature honor and recognize the efforts and accomplishments of those who served in the CCC in the state of Arizona.





# HOUSE OF REPRESENTATIVES

HM 2001

urging parks board; historic place

Sponsors: Representatives Saldate, Coleman, Gonzales, et al.

---

**DP** Committee on Government & Higher Education

**X** Caucus and COW

House Engrossed

---

## **OVERVIEW**

HM 2001 urges the Arizona State Parks Board (Board) to designate the Arizona Schools for the Deaf and Blind (ASDB) in Tucson as a historic place.

## **HISTORY**

The ASDB was established in 1912 as a department within University of Arizona to provide education for individuals who are deaf, hard of hearing, blind or visually impaired. In 1922, the ASDB began classes at the West Speedway campus which was built on 50 acres of land donated by the city of Tucson and 18 acres of land purchased by the ASDB.

Pursuant to Arizona Revised Statutes (A.R.S) § 41-511.02 the Governor appoints a full time employee of the Arizona State Parks Board as the State Historic Preservation Officer (Officer) to plan, coordinate and administer a State Historic Preservation Program.

The Arizona Register of Historical Places (Register) is a list of properties worthy of preservation due to their historical value. A nomination by the Officer is required for a property to be entered on the Register. The criteria of significance needed to qualify a property to be entered on the Register may relate to any of the following:

- Association with historic events or activities
- Association with an important historical person
- Distinctive design or physical character
- Potential to provide important information about history

## **PROVISIONS**

1. Requests the Board to designate the ASDB campus in Tucson as a historic place.
2. Requests the Secretary of State to transmit copies of the memorial to all members of the Board, the Executive Director of the Board and the Officer.



# HOUSE OF REPRESENTATIVES

HB 2102

children; chronic illness; physical disability

Sponsor: Representative Brophy McGee

---

**DP** Committee on Health

**X** Caucus and COW

House Engrossed

---

## OVERVIEW

HB 2102 updates the Arizona Revised Statutes (A.R.S.) related to the transfer of the Children's Rehabilitative Services (CRS) program from the Arizona Department of Health Services (ADHS) to the Arizona Health Care Cost Containment System (AHCCCS).

## HISTORY

Laws 1981, Chapter 1, established AHCCCS, the Arizona Medicaid program that oversees contracted health plans for the delivery of health care for certain low-income individuals and families in Arizona. Medicaid is a federal healthcare program jointly funded by the federal and state governments. AHCCCS operates under a managed care system, contracting with health plans that coordinate and pay for medical services from health care providers.

AHCCCS members receive medical assistance under three primary programs: the *Arizona Long Term Care System* provides acute care, behavioral health, long-term care and case management services to elderly, physically disabled or developmentally disabled individuals; *KidsCare* provides acute care services for children under age 19; *acute care* provides healthcare services such as inpatient and outpatient hospital services, physician services, immunizations, laboratory services, x-ray services and includes the CRS program. The CRS program began in 1929 to serve children with complex health needs who require specialized services. These services include medical care, rehabilitation and related support services to children diagnosed with a chronic or disabling condition.

Laws 2011, Chapter 31, transferred regulatory authority for the CRS program from ADHS to AHCCCS.

## PROVISIONS

1. Changes the article heading of Title 36, Chapter 2, Article 3, Arizona Revised Statutes from "Children's Rehabilitative Services" to "Children with Chronic Illness or Physical Disabilities" and updates definitions.
2. Repeals and rewrites A.R.S. § 36-261 relating to Children's Rehabilitative Services to do the following:
  - a. Maintains ADHS duties in A.R.S. § 36-261.
  - b. Transfers the remaining applicable provisions into the new CRS statutes located in A.R.S. § 36-2912.

3. States that subject to the availability of monies, ADHS rather than AHCCCS may handle the care and treatment of children and adults with sickle cell anemia.
4. Transfers additional laws governing CRS from ADHS-related statutes to those governing AHCCCS.
5. Adds a new section of law which requires AHCCCS to do the following:
  - a. Establish a CRS program and establish policies for that program.
  - b. Develop and implement policies to determine eligibility for the CRS program.
  - c. Develop and implement all rules and policies for the operation of the CRS program.
  - d. Establish and administer a program for individuals and children in active treatment, who have a chronic illness or physical disability and are determined to be eligible before the age of 21. The program shall provide for:
    - i. Services and care.
    - ii. The receipt and expenditure of monies made available to AHCCCS, excluding monies received from parents or guardians for the care of children.
    - iii. Making necessary expenditures.
    - iv. Safeguards of confidential medical records.
    - v. The acceptance and use of federal monies at the discretion of AHCCCS and subject to any limitations imposed by annual state appropriations.
    - vi. Any other activities deemed necessary for the effective operation of the program.
6. Requires every 5 years, that the director of AHCCCS issue a public request for proposals relating to the treatment of children with a chronic illness or physical disability.
7. States that the total amount of state monies that AHCCCS may spend in any fiscal year for CRS may not exceed an approved allotment schedule.
8. Requires AHCCCS to coordinate benefits so that they will be payor of last resort, unless specifically required by federal law.
9. Defines *children who have chronic illness or physical disability*.
10. Makes technical and conforming changes.



# HOUSE OF REPRESENTATIVES

HB 2116

burial; instructions

Sponsor: Representative Petersen

---

**DPA** Committee on Health

**X** Caucus and COW

House Engrossed

---

## OVERVIEW

HB 2116 outlines procedures for a person responsible for burying or providing other funeral and disposition arrangements regarding the disposition of a decedent's body.

## HISTORY

Title 36, Chapter 7, Article 2, Arizona Revised Statutes (A.R.S.) governs the disposition of human bodies and the burial responsibilities regarding a decedent. Current law outlines the order of who assumes the duty of burying a body or providing other funeral and disposition arrangements as follows: a surviving spouse; a person with power of attorney for the decedent; parents of the decedent if they were a minor; adult children; a parent; an adult sibling; an adult grandchild; a grandparent; an adult who showed special care or concern; or an acting guardian. As a last resort, a charitable or religious organization may assume responsibility for the disposition of a decedent's body (A.R.S. § 36-831).

A.R.S. § 36-831.01 specifies that a decedent's wishes regarding their burial or other funeral arrangements are to be complied with if they are made known to the person who assumes the burial or other funeral arrangement duties and such arrangements are reasonable and do not impose an emotional or economic hardship.

## PROVISIONS

1. Permits a decedent, prior to death, to direct in writing the disposition of their remains and outline funeral goods and services to be provided.
2. Specifies that a decedent's instructions may not be altered in any way unless there is a signed and dated document to the contrary, or if law requires.
3. Requires a decedent's instructions to be carried out if all of the following requirements are met:
  - a. The instructions are clear and unambiguous; and
  - b. Proper payment arrangements have been made.
4. Stipulates that if all financial arrangements cannot be satisfied regarding the disposition of a body or other funeral arrangements, then any remaining instructions will be carried out only to the extent that there are sufficient funds to so, unless the person tasked with funeral arrangements agrees to assume the costs.
5. Requires any instructions contained in a will to be immediately carried out regardless of the validity of the will or any probate proceedings.

6. Exempts a funeral establishment, crematory or cemetery from violating written rules or procedures of the funeral establishment in order to comply with the decedent's instructions.
7. Makes technical and conforming changes.

### **Amendments**

#### **Committee on Health**

1. Clarifies that a decedent's instructions must be carried out only to the extent that arrangements for payment have been made and allows a person who has a right to control the disposition, and to arrange for funeral goods and services to assume the cost of any remaining instructions.
2. Adds an applicability clause.



# HOUSE OF REPRESENTATIVES

HB 2140

ambulance services; temporary authority

Sponsor: Representative Carter

---

**DPA** Committee on Health

**X** Caucus and COW

House Engrossed

---

## OVERVIEW

HB 2140 increases the duration of a temporary certificate of necessity (CON) to operate an ambulance service from 90 to 365 days.

## HISTORY

Within the Arizona Department of Health Services (ADHS) is the Bureau of Emergency Medical Services and Trauma System which is responsible for coordinating, establishing and administering a statewide system of emergency medical services, trauma care and a trauma registry. The Bureau's mission is to protect the health and safety of people requiring emergency medical services (EMS); promote improvements in Arizona's EMS and trauma system through research and education of the public and EMS providers; and provide courteous, professional and responsible service to the public and EMS providers.

Arizona Revised Statutes (A.R.S.) § 36-2232 states that the Director (Director) of DHS regulates the operation of ambulances and ambulance services. Additionally, A.R.S. § 36-2242 states that if the Director determines there is an immediate need for service within an area, the Director may grant an ambulance service temporary authority to provide the needed service. The temporary authority is valid for the period specified by the Director, not to exceed 90 days, and may not be renewed. There are approximately 87 CONs that have been granted by the director of ADHS.

## PROVISIONS

1. Increases the duration of a temporary CON from 90 to 365 days.
2. Allows for a one-time renewal of a temporary CON by the Director.
3. Makes technical changes.

## Amendments

### **Committee on Health**

1. Requires the Director, when granting a temporary authority, to select an Arizona EMS provider, when available.
2. Specifies that the temporary authority is valid for 180 days rather than 365 days and may be renewed three times rather than once.
3. Requires the Director, before the renewal of a temporary authority to operate, to provide public notice and an opportunity for public comment on the level or service and satisfaction with the EMS provider.
4. Contains an emergency clause.



# HOUSE OF REPRESENTATIVES

HB 2196

technical correction; environmental education

Sponsor: Representative Boyer

---

DPA/SE Committee on Health

X Caucus and COW

House Engrossed

---

## OVERVIEW

HB 2196 makes a technical correction

### Overview of the Proposed Strike-Everything Amendment to HB 2196

The proposed strike-everything amendment to HB 2196 changes certified nursing assistants to licensed nursing assistants and establishes a nurse aide.

## HISTORY

The Arizona State Board of Nursing (Board) was established in 1921 to regulate the practice of nursing in Arizona. The Board accomplishes this by licensing nurses, certifying nursing assistants, approving education programs for nurses and nursing assistants and investigating complaints made to the Board. The mission of the Board is to protect and promote the welfare of the public by ensuring that each person holding a nursing license or certificate is competent to practice safely. The Board consists of 11 members appointed by the Governor to serve five-year terms. Board members are eligible to receive compensation up to \$200 per day for official board duties. There are approximately 116,000 active licensed or certified nursing professionals.

Federal law requires that each state establish and maintain a nurse aide registry and prohibits any charges related to a nurse aide to be listed on the registry (Omnibus Budget Reconciliation Act of 1987 [P.L. 100-203; 101 Stat. 1330] as amended by the Medicare Catastrophic Coverage Act of 1988 [P.L. 100-360; 102 Stat. 683]). Arizona receives federal funds for the registry however the funding is insufficient to cover the costs. Laws 2014, Chapter 18, made a supplemental appropriation from the state General Fund for each of FYs 2014 and 2015 of \$150,000. Further, the Board was required to submit a report to the directors of the Office of Strategic Planning and Budgeting and the Joint Legislative Budget Committee with recommendations for ensuring the long-term financial stability of the certified nursing assistant program.

## PROVISIONS

1. Requires the Executive Director of the Board (Director) or their designee to register nurse aides, maintain a registry of nurse aides and approve nurse aide training programs.
2. Requires the Board to:
  - a. Establish by rule, approval and re-approval processes for nurse aide training programs.
  - b. License and renew the licenses of nursing assistants who are not qualified to be licensed by the Director.
  - c. Perform functions necessary to carry out the requirement of the nurse aide training and competency evaluation program. These functions must include:
    - i. Registration of nurse aides.
    - ii. Testing and licensing of nursing assistants.

- iii. Maintaining a registry of nurse aides.
  - d. Removes the requirement for each applicant for an initial nursing assistant certification to submit a full set of fingerprints to the Board for the purpose of obtaining a state and federal criminal records check.
  - e. Contract with a private entity to conduct licensure and nurse aide registration examinations.
3. Stipulates that the Director must keep a register of each nursing assistant license or certified nurse and includes each person's current address and licenses, certifications and registrations granted or revoked.
  4. Clarifies that the fee for an application for a temporary registered nurse, practical nurse or nursing assistant license is \$50.
  5. Requires a person who wishes to practice as a nurse aide to file a verified form prescribed by the Board and submit proof satisfactory to the Board that the applicant has:
    - a. Completed the basic curriculum of a program approved by the Board.
    - b. Received a valid certificate from a training program approved by the Board.
    - c. Completed the nurse aide competency examinations.
  6. Allows the Board to investigate allegations of violations by nursing assistants.
  7. Permits the Board in the regulation of nurse aides to:
    - a. Investigate allegations of a violation and refer criminal violations to the appropriate law enforcement agency.
    - b. File a letter of concern if the Board believes there is insufficient evidence to support direct action against the nurse aide's registration, but sufficient evidence for the Board to notify the nurse aide of its concern.
    - c. Indicate on the registration the existence of any substantiated complaints against the nurse aide.
  8. Requires an applicant for registration as a nurse aide who wishes to be placed on the registry to pass both the written and manual skills competency examinations on subjects contained in the nurse aide training program approved by the Board.
  9. Allows the Board to issue a nursing assistant license to a person who passes both examinations and meets all other requirements.
  10. Specifies that if a nurse aide applicant fails to pass either the written or manual skills competency examination within two years after completing an educational program, the applicant must complete an approved nurse aide training program to the Board's satisfaction before retaking the examination.
  11. Changes the term *certificate* to *license* for nursing assistants.
  12. Allows the Board to register a nurse aide who has been listed on the nurse aide registry maintained in another state if the nurse aide provides to the Board current proof of registration or an equivalent document issued by another state and the Board received an application and determines that the applicant meets qualifications.
  13. Changes the abbreviation for a licensed nursing assistant to *LNA* from *CNA*.
  14. Establishes the abbreviation *CNA* for a certified nurse aide.
  15. Allows, rather than requires, the Board to certify a medication assistant for a period of not more than two years.



16. Permits the Board to sanction as an administrative violation, rather than as unprofessional conduct, and impose an administrative penalty of \$1,000 for failing to renew nurse aide program approval and continuing to operate the program.
17. Prohibits a person who is not licensed or certified to represent or use any title, abbreviation, letters, figures or sign a card or device to indicate that the person or any other person is a nursing assistant.
18. Exempts a school that is licensed by the Board and that solely provides an instructional program for nursing assistants and nurse aides from the requirements for private vocational program licensure.
19. Provides the following for current certified nursing assistants:
  - a. A certification of a certified nursing assistant that was issued before July 1, 2016, must remain in effect until the first renewal date of that certification that occurs on or before July 1, 2016.
  - b. A person who holds a certified nursing assistant certificate that was issued before July 1, 2016, on a renewal date of the certification that occurs on or after July 1, 2016, may either:
    - i. File a nursing assistant renewal application, pay the renewal fee and be issued a nursing assistant license.
    - ii. File a renewal application to be registered on the registry of nurse aides and become a nurse aide.
20. Exempts, for purposes related to this act, the Board from the rulemaking requirements until December 31, 2016.
21. Contains an effective date of July 1, 2016.
22. Defines *nurse aid* and *registry of nurse aides*.
23. Makes technical and conforming changes.

### **Amendments**

#### **Committee on Health**

1. The strike-everything amendment was adopted.



# HOUSE OF REPRESENTATIVES

HB 2373

AHCCCS; orthotics

Sponsors: Representatives Brophy McGee, Cobb

---

**DP** Committee on Health

**X** Caucus and COW

House Engrossed

---

## **OVERVIEW**

HB 2373 requires AHCCCS contractors to provide services for orthotics when specified conditions are met.

## **HISTORY**

Laws 1981, Chapter 1, established the Arizona Health Care Cost Containment System (AHCCCS). AHCCCS is Arizona's Medicaid program that oversees contracted health plans for the delivery of health care to individuals and families who qualify for Medicaid and other medical assistance programs. Through contracted health plans across the state, AHCCCS delivers health care to qualifying individuals including low-income adults, their children or people with certain disabilities.

AHCCCS provides medical assistance programs for acute care, long term care and contracts with the Arizona Department of Health Services Division of Behavioral Health Services to bring behavioral health services to its acute care members. The Arizona Long Term Care System program is for individuals over the age of 65, are blind, disabled or need continuing assistance at a nursing facility level of care. As of February 2015 there are approximately 1.6 million individuals enrolled in the AHCCCS program.

## **PROVISIONS**

1. Requires AHCCCS contractors to provide services for orthotics, if all of the following apply:
  - a. The use of the orthotic is medically necessary as the preferred treatment option consistent with Medicare guidelines.
  - b. The orthotic is less expensive than all other treatment options or surgical procedures to treat the same diagnosed condition.
  - c. The orthotic is ordered by a physician or primary care practitioner.
2. Requires AHCCCS to submit an application for approval of services to the Centers for Medicare and Medicaid Services no later than 30 days after the effective date of this act and additionally AHCCCS must request that the services noted above be approved as soon as practicable.
3. Prohibits AHCCCS from limiting a contractor's ability to approve orthotic services.
4. Requires the contractor to determine whether an orthotic ordered by a physician or primary care practitioner is medically necessary, the preferred treatment option and the orthotic is less expensive than all other treatment options.
5. Contains a conditional repeal.



# HOUSE OF REPRESENTATIVES

HB 2605

DHS; stroke care protocols

Sponsors: Representatives Cobb, Borrelli; Carter, et al.

---

**DP** Committee on Health

**X** Caucus and COW

House Engrossed

---

## OVERVIEW

HB 2605 requires the Arizona Department of Health Services (ADHS) before July 1, 2017 to adopt or amend rules relating to coordination of stroke care services between emergency medical services providers and hospitals.

## HISTORY

Laws 1973, Chapter 158, established the ADHS with the mission to set the standard for personal and community health through direct care, science, public policy and leadership. Within ADHS is the Division of Public Health Services and the Bureau of Emergency Medical Services. Arizona Revised Statutes § 36-2203 established the Emergency Medical Services (EMS) Council to provide statewide standardized training and certification standards for all classifications of emergency medical technicians; standardized testing procedures; medical standards for certification of training programs; and standards for certification of emergency receiving facilities including advanced life support base hospitals.

Laws 2011, Chapter 47 required ADHS to adopt rules relating to stroke care services between EMS providers and hospitals that provide for: the EMS Council to establish stroke care protocols within each of the four local emergency medical services coordinating regions for patient care and patient care procedures relating to the assessment, treatment and transport of stroke patients to the most appropriate acute care treatment facility; the use of national standards for hospital-based and rehabilitative stroke care established by national organizations; the use of statewide stroke quality improvement databases that compile data on stroke care. The rules are found in the Arizona Administrative Code R9-25-601-2 with an effective date of April 5, 2013.

## PROVISIONS

1. Requires ADHS before July 1, 2017 to adopt or amend rules relating to coordination of stroke care services between EMS providers and hospitals that do the following:
  - a) Include as emergency receiving facilities those facilities that are certified as comprehensive stroke centers and acute stroke ready hospitals by national certifying organizations.
  - b) Include the American Heart Association/American Stroke Association as a national stroke center certification organization.
2. Requires the EMS Council to seek input from stakeholders, including health care providers and nonprofit organizations focused on the development of stroke systems of care in this state, in the council's review and update of any emergency stroke protocols.

3. Exempts ADHS for purposes of implementing this section, from rulemaking requirements until July 1, 2017, except that the ADHS must provide public notice and an opportunity for public comment on proposed rules at least 30 days before a rule is adopted or amended.
4. Repeals this section after December 31, 2017.



# HOUSE OF REPRESENTATIVES

## HCM 2004

Mohave County radiation compensation act

Sponsors: Representatives Cobb, Borrelli, Senator Ward, et al.

---

**DP** Committee on Health

**X** Caucus and COW

House Engrossed

---

### OVERVIEW

HCM 2004 prays that members of Congress enact legislation similar to United States (U.S.) Representative Paul Gosar's Mohave County Radiation Compensation Act of 2013 (Act) to add Mohave County as an affected area for making claims.

### HISTORY

From 1945 to 1962, the U.S. conducted nearly 200 atmospheric nuclear weapons development tests. The tens of thousands of workers who mined and processed uranium were essential to the nation's development of nuclear weapons. Following tests in 1962, many of these workers filed class-action lawsuits alleging exposure to known radiation hazards. Although these suits were dismissed by the appellate courts, the U.S. responded with the Radiation Exposure Compensation Act (RECA), which devised a program allowing partial restitution to individuals who developed serious illnesses following their exposure to radiation during the atmospheric nuclear tests or after employment in the uranium industry. RECA presents an apology and monetary compensation to individuals who contracted certain cancers and other serious diseases following exposure to radiation related during the atmospheric nuclear weapons test or following occupational exposure to radiation while employed in the uranium industry during the cold war arsenal buildup.

RECA was designed to serve as an expeditious, low-cost alternative to litigation but did not include Mohave County as an affected area for the purposes of making claims based on exposure to atmospheric nuclear radiation. In 2013, U.S. Representative Paul Gosar introduced H.R. 424, known as the Mohave County Radiation Act of 2013, which sought to include Mohave County as an affected area for purposes of making claims under RECA. Ultimately, H.R. 424 was not enacted.

### PROVISIONS

1. HCM 2004 prays that members of Congress enact legislation similar to U.S. Representative Paul Gosar's Mohave County Radiation Compensation Act of 2013 that adds Mohave County as an affected area for making claims under RECA.



# HOUSE OF REPRESENTATIVES

HR 2004

fibromyalgia awareness day

Sponsors: Representatives Fincham, Livingston, Montenegro

---

**DP** Committee on Health

**X** Caucus and COW

House Engrossed

---

## OVERVIEW

HR 2004 proclaims May 12, 2015 as Fibromyalgia Awareness Day.

## HISTORY

Fibromyalgia is a chronic pain disorder that affects over ten million people in the United States as a primary illness, and millions more as a secondary illness. Currently, there is no cure for fibromyalgia; a condition that affects the central nervous system and causes debilitating pain in women, men and children. Patients with this condition live with widespread pain, sleep disorders, extreme fatigue, stiffness, weakness, numbness and tingling, headaches and impairment of memory and concentration. Additionally, patients with fibromyalgia often have coexisting conditions which may include chronic myofascial pain, migraines, environmental sensitivities, anxiety and depression.

It may take years to receive a diagnosis of fibromyalgia and medical professionals are inadequately educated on the current research, diagnosis and treatment of fibromyalgia, resulting in many undiagnosed cases. Increased awareness and expanded knowledge of the realities of living with fibromyalgia will allow the community at large to better support people who struggle with the challenges of this chronic and painful disorder.

## PROVISIONS

1. Proclaims May 12, 2015 as Fibromyalgia Awareness Day.



# HOUSE OF REPRESENTATIVES

HB 2135

technical correction; insurance; existing actions  
Sponsor: Representative Fann

---

DPA/SE Committee on Insurance

X Caucus and COW

House Engrossed

---

## OVERVIEW

HB 2135 makes a technical correction to statute.

### Summary of the Proposed Strike-Everything Amendment HB 2135

The proposed strike-everything amendment to HB 2135 modifies statute relating to motor vehicle insurance for the inclusion of the terms transportation network company, transportation network service, and transportation network vehicle.

## HISTORY

The Arizona Department of Weights and Measures (Department) is the primary authority for licensing and regulating taxi, livery vehicles and limousines in the state. Statute requires owners of livery vehicles, taxis and limousines to allow the Department to inspect criminal background checks and drug testing of vehicle operators and allow the inspection of vehicle maintenance records (Arizona Revised Statutes (A.R.S.) § 41-2097). Additionally, statute specifies the licensing requirements for taxi, livery vehicles and limousines (A.R.S. § 41-2091).

A.R.S. § 41-2051 defines *livery vehicle* and *taxi*. A *livery vehicle* is a motor vehicle that provides passenger services for a fare determined by a flat rate or flat hourly rate between geographic zones or within a geographic area. A *taxi* is defined as a motor vehicle that is registered as a taxi in this state or any other state and offers local transportation for a fare determined primarily on the basis of the distance traveled.

## PROVISIONS

1. Includes a private automobile that is used as a transportation network vehicle by an individual who has been issued a transportation network endorsement to the individual's motor vehicle insurance policy to the definition of *motor vehicle* as it relates to insurance coverage.
2. Prevents an insurer from canceling or renewing the insurance afforded under the policy for a private automobile that is used as a transportation network vehicle if the named insured has procured a transportation network endorsement to the policy providing coverage for vehicle.
3. States that for the purposes of canceling or failing to renew a policy the terms *fail to renew* and *nonrenewal* does not include the cancellation, termination or removal by an insurer of an endorsement to a motor vehicle insurance policy that provides coverages, directly or indirectly, related to the provision of *transport network services*.
4. Adds that *prearranged ground transportation service* also means is arranged through an online-enabled application or platform.

5. Clarifies that a *livery vehicle* or a *taxi* is not a transportation network vehicle.
6. Provides the following definitions:
  - a. *Transportation network company* means a company that provides prearranged ground transportation services for compensation, donation, or tips using an online-enabled application or platform.
  - b. *Transportation network service* means the provision of a transportation service by a participating driver through a transportation network.
  - c. *Transportation network vehicle* means a vehicle that is used by a participating driver to provide transportation network services, that has at least four doors and that is designed to carry not more than eight passengers, including the driver.

#### **AMENDMENTS**

##### **Committee on Insurance**

1. Adopted the strike-everything amendment.





# HOUSE OF REPRESENTATIVES

HB 2168

public agency pooling; unemployment insurance

Sponsor: Representative Brophy McGee

---

**DP** Committee on Insurance

**X** Caucus and COW

House Engrossed

---

## **OVERVIEW**

HB 2168 expands the types of service that an insurance pool can offer to its participants.

## **HISTORY**

Arizona Revised Statutes (A.R.S.) § 11-952.01 governs the formation of public agency pools. Two or more public agencies may form a pool for the purpose of purchasing various types of insurance. Additionally, the pool may invest public monies on behalf of pool members. Statute states that a public agency pool shall be operated by a board of trustees (Board) and prescribes the powers and duties of the Board. The Board must file appropriate notice regarding the formation of a pool. Public agency pools are required to be annually audited by a certified public accountant and submit the audit to the governing board of each pool member and to the Director of The Department of Insurance (DOI). Currently, DOI is required to examine pools every five years but has the authority to examine a pool sooner if it believes the pool is insolvent.

Public agencies include federal agencies, Indian tribes, state departments, agencies, boards and commissions, counties, school districts, fire districts, cities, towns, all municipal corporations, and any other political subdivisions of this state or any other state (A.R.S. § 11-951).

## **PROVISIONS**

1. Allows a pool to offer services, including making payments in lieu of contributions, on behalf of pool participants in the unemployment insurance program offered by the Arizona Department of Economic Security.
2. States the pool is deemed an agent of the pool participants as employers.
3. Makes conforming changes.



# HOUSE OF REPRESENTATIVES

HB 2352

credit for reinsurance

Sponsors: Representative Fann

---

DPA/SE Committee on Insurance

X Caucus and COW

House Engrossed

---

## OVERVIEW

HB 2352 makes revisions to statute relating to credit for reinsurance.

### Summary of the Proposed Strike-Everything Amendment to HB 2352

The proposed strike-everything amendment to HB 2352 adopts the credit for reinsurance model law developed by the National Association of Insurance Commissioners (NAIC).

## HISTORY

The NAIC is an organization created and governed by the chief insurance regulators of the 50 states, the District of Columbia, and five United States (U.S.) territories. The mission of the NAIC is to assist state insurance regulators, individually and collectively, in serving the public interest and achieving fundamental insurance regulatory goals in a responsive, efficient, and cost effective manner, consistent with the wishes of its members. Through the NAIC, state insurance regulators establish standards and best practices, conduct peer review, and coordinate their regulatory oversight.

In 2008 the NAIC initially adopted the Reinsurance Regulatory Modernization Framework Proposal. NAIC recommended that this framework be implemented through federal legislation in order to preserve and improve stat-based regulation of reinsurance, ensure timely and uniform implementation throughout all NAIC member jurisdictions, and as a more comprehensive alternative to related federal legislation. NAIC also provided changes for state legislatures to establish requirements, under which state would regulate qualified reinsurers, and also to consider reinsurance risk diversification and notice requirements for ceding insurers.

Pursuant to Arizona Revised Statutes § 20-261.01, a domestic ceding insurer is allowed a credit for reinsurance as an asset to or a deduction from liability on account of reinsurance ceded if the reinsurer satisfies requirements as outlined in statute.

## PROVISIONS

### *Credit for Reinsurance*

1. Permits a domestic ceding insurer a credit for reinsurance as either an asset or a reduction from liability on account of reinsurance ceded only when the requirements as outlined in the act have been met.
2. Stipulates credit shall be allowed when the reinsurance is ceded to an assuming insurer that meets any of the following conditions:
  - a. Is licensed to transact insurance or reinsurance in this state.

- b. Is accredited by the director of the Department of Insurance (Director) as a reinsurer in this state and provides eligibility for accreditation requirements.
  - c. Is domiciled in, or is a U.S. branch of an alien assuming insurer that entered through, a state that employs standards regarding credit for reinsurance substantially similar those applicable under this act and the assuming insurer:
    - i. Maintains a surplus in an amount not less than \$20 million, and
    - ii. Submits to examinations of its books and records.
  - d. Maintains a trust fund in a qualified U.S. financial institution for the payment of valid claims of its U.S. ceding insurers, their assigns, and successors in interest.
    - i. Requires the insurer to report annually to the Director information substantially the same as that required to be reported in the NAIC annual statement form by licensed insurers.
  - e. Has been certified by the Director as a reinsurer in this state and that secures its obligation in accordance with statute, and outlines the requirements for certification.
3. Applies additional requirements to the trust that is maintained by an assuming insurer:
- a. Requires the form of the trust or any amendments to the trust to be approved by the director or commissioner of the state where the trust is domiciled or by the director or commissioner of another state who has accepted principal regulatory oversight of the trust.
  - b. Requires the form of the trust to be filed with the director of every state in which the ceding insurer beneficiaries of the trust are domiciled.
  - c. States the trust must provide that contested claims shall be valid and enforceable, must vest legal title to its assets in its trustees, and be subject to examination by the Director.
  - d. Stipulates the trust must remain in effect for as long as the assuming insurer has outstanding obligations due under the reinsurance agreements subject to the trust and directs the trustee to report to the Director the annual balance of the trust and a list of investments.
  - e. States the trust for a single assuming insurer must consist of funds in the trust in an amount which covers all the liabilities attributable to the reinsurance ceded and must maintain a trusted surplus of at least \$20 million, with exception.
  - f. Specifies at any time after the assuming insurer has permanently discontinued underwriting new business secured by the trust for at least three full years, the director with principal oversight may authorize a reduction in the required trusted surplus, if upon determining that the new required surplus level is adequate for protection.
  - g. Specifies that in a group including incorporated and individual unincorporated underwriters:
    - i. The trust must cover all liabilities for reinsurance ceded under reinsurance agreements on or after January 1, 1993.
    - ii. The trust must cover the respective underwriters' several insurance and reinsurance liabilities for reinsurance ceded under reinsurance agreements on or before December 31, 1992.
    - iii. Requires the group to maintain a trusted surplus of which \$100 million is held jointly.
    - iv. Prohibits the group members from engaging in any business other than underwriting as a member of the group.

- v. Requires the group to provide to the Director, within 90 days after its financial statements are due, an annual certification by the group's domiciliary regulator of the solvency of each underwriter member of the group.
- h. States a group of incorporated underwriters under common administration must:
  - i. Have continuously transacted an insurance business outside the U.S. for at least three years immediately before making application for accreditation.
  - ii. Maintain aggregate policyholders' surplus of at least \$10 billion.
  - iii. Maintain a trust fund which covers the group's several liabilities attributable to business ceded by U.S. domiciled ceding insurers.
  - iv. Maintain a joint trusteed surplus of which \$100 million is held jointly.
  - v. Make available to the Director an annual certification of each underwriter member's solvency and financial statements, within 90 days after its financial statements are due.
- 4. Requires the Director to create and publish a list of qualified jurisdictions, under which an assuming insurer is eligible to be considered for certification, and outlines further responsibilities of the Director with regards to: 1) determining a qualified jurisdiction, 2) suspension of certification, and 3) rating each certified reinsurer.
- 5. Directs a certified reinsurer to secure obligations assumed from U.S. ceding insurers at a level consistent with its rating, and provides further responsibilities for certified reinsurers.
- 6. Permits credit when the reinsurance is ceded to an assuming insurer that does not meet the requirements as set forth in the act, only as to the insurance of risks located in jurisdictions where the reinsurance is required of that jurisdiction.
- 7. Prohibits certain credit from an assuming insurer that is not licensed, accredited, or certified to transact insurance or reinsurance, unless the assuming insurer agrees in the reinsurance agreements to all of the following:
  - a. To submit to the jurisdiction of any court of competent jurisdiction.
  - b. To designate the Director or a designated attorney as its true and lawful attorney.
- 8. States the exemption granted to an unlicensed assuming insurer is not intended to conflict with or override the obligation of the parties to a reinsurance agreement to arbitrate their disputes.
- 9. Stipulates if the assuming insurer does not meet specified requirements for a certain credit, that credit is not permissible unless the assuming insurer agrees in the trust agreements to following specified conditions as outlined in the act.
- 10. Authorizes the Director to suspend or revoke the reinsurer's accreditation and certification and outlines the procedures for suspension or revocation.
- 11. Provides procedures for a ceding insurer's concentration risk, with regards to reinsurance recoverables and diversify its reinsurance program.

#### ***Asset or Reduction from Liability***

- 12. Permits an asset or a reduction from liability for the reinsurance ceded by a domestic insurer to an assuming insurer that does not meet the requirements for credit for reinsurance in an amount not exceeding the liabilities carried by the ceding insurer.

13. Specifies reduction to be in the amount of funds held by or on behalf of the ceding insurer under a reinsurance contract with the assuming insurer as security for the payment of obligations.
14. Outlines the acceptable forms of security.

***Miscellaneous***

15. States the requirements for credit for reinsurance as outlined in this act apply to all cessions after the effective date of this act under reinsurance agreements that have an inception, anniversary or renewal date that is not less than six months after the effective date of this act.
16. Authorizes the Director to adopt rules pursuant to statute to implement the provisions relating to credit for reinsurance.
17. Exempts the Department of Insurance from rulemaking requirements for two years for the purposes of implementing the provisions of this act.

**AMENDMENTS**

**Committee on Insurance**

1. Adopted the strike-everything amendment.



# HOUSE OF REPRESENTATIVES

HB 2568

insurance premium tax reduction

Sponsors: Representatives Livingston, Cobb, Coleman, et al.

---

**DPA** Committee on Insurance  
**DP** Committee on Appropriations  
**X** Caucus and COW  
House Engrossed

---

## OVERVIEW

HB 2568 reduces the insurance premium tax rate, with the exception of fire insurance premiums and health service and disability insurance premiums.

## HISTORY

Pursuant to Arizona Revised Statutes § 20-224, insurers are required to file a report with the Director of Department of Insurance showing total direct premium income including policy membership and other applicable fees. Additionally, insurers must remit a 2% tax on the net premiums; however statute outlines the tax rate for certain types of insurance as follows:

- Fire Insurance
  - On property located in an incorporated city or town certified by the state fire marshal for obtaining the service of a private fire company, the rate is .66%.
  - On all other fire insurance premiums, the rate is 2.2%.
- Health care service and disability insurance
  - As prescribed by statute, the rate is 2%.

## PROVISIONS

1. Maintains the current premium tax rate on fire insurance and health care service and disability insurance.
2. Sets the premium tax rate for disability insurance at 2%.
3. Reduces the insurance premium tax rate for all other insurance as follows:
  - a. 1.99% for Calendar Year (CY) 2016,
  - b. 1.98% for CY 2017,
  - c. 1.95% for CY 2018,
  - d. 1.92% for CY 2019,
  - e. 1.89% for CY 2020,
  - f. 1.86% for CY 2021.
  - g. 1.83% for CY 2022,
  - h. 1.80% for CY 2023,
  - i. 1.77% for CY 2024,
  - j. 1.74% for CY 2025,
  - k. 1.70% for CY 2026 and each CY thereafter.
4. Clarifies what constitutes *fire insurance* with regard to the premium tax and surplus lines tax.

5. Makes technical and conforming changes.

#### **AMENDMENTS**

##### **Committee on Insurance**

1. Removes duplicative language.
2. Makes a clarifying change.



# HOUSE OF REPRESENTATIVES

## HB 2088

mental health; veteran; homeless courts.

Sponsors: Representatives Borrelli: Campbell, Cobb, et al.

---

**DPA/SE**    Committee on Judiciary

**X**            Caucus and COW

House Engrossed

---

### OVERVIEW

HB 2088 establishes homeless, veterans and mental health courts.

### SUMMARY OF STRIKE-EVERYTHING AMENDMENT

The proposed strike-everything amendment to HB 2088 updates archaic terminology by removing a reference to *police magistrates in cities and towns* and replaces it with *judges of a municipal court*.

### HISTORY

Municipal courts were called police courts prior to the late 1960s. Cities and towns have municipal courts and these courts have criminal jurisdiction over petty offenses and misdemeanor crimes. They share jurisdiction with justice courts over violations of state law committed within the limits of their city or town.

### PROVISIONS

1. Updates archaic terminology by removing a reference to police magistrates in cities and towns and replaces it with *judges of a municipal court*.
2. Makes a technical change.

### AMENDMENTS

#### **Committee on Judiciary**

1. Adopted the proposed strike-everything amendment.
2. Makes conforming changes.





# HOUSE OF REPRESENTATIVES

HB 2204

criminal restitution order; courts

Sponsor: Representative Boyer

---

**DPA** Committee on Judiciary

**X** Caucus and COW

House Engrossed

---

## OVERVIEW

HB 2204 allows a limited jurisdiction court to enter a criminal restitution order at the time the defendant is ordered to pay restitution.

## HISTORY

Arizona Revised Statutes § 13-805 requires trial courts to hold jurisdiction on cases until court-ordered payments are paid in full or until the defendant's sentence expires. This allows the trial court to order, modify, and enforce how court-ordered payments are made. Once the defendant is ordered by the superior court to pay restitution, the court may enter a criminal restitution order in favor of each person entitled to the unpaid restitution balances. A criminal restitution order is a criminal penalty for the purposes of a federal bankruptcy involving the defendant and does not affect any other monetary obligation imposed on the defendant pursuant to law.

At the time the defendant completes or absconds their probationary period or their sentence, the court shall enter a criminal restitution order in favor of the state for the unpaid balance and a criminal restitution order in favor of each person entitled to an unpaid restitution balance. Each person entitled to payment of the criminal restitution order shall be notified by the clerk of the court. A criminal restitution order may be recorded and is enforceable as any civil judgment, unless specified by current law. These orders include the collection of interest, accumulating at a ten percent annual rate and do not expire until paid in full. The interest does not apply to fees imposed for the collection of court-ordered payments. All of the monies pursuant to a criminal restitution order must be paid to the clerk of the superior court and be distributed first to the criminal restitution order balance, then to the associated interest.

## PROVISIONS

1. Allows a limited jurisdiction court to enter a criminal restitution order at the time the defendant is ordered to pay restitution.
2. Makes technical changes.

## AMENDMENTS

### **Committee on Judiciary**

1. Makes a technical correction.



# HOUSE OF REPRESENTATIVES

HB 2205

traffic offense; restitution

Sponsor: Representative Boyer

---

**DP** Committee on Judiciary

**X** Caucus and COW

House Engrossed

---

## OVERVIEW

HB 2205 allows the court to allocate all or a portion of a fine as restitution for a victim of a traffic accident that involves a failure to stop or remain at the scene of an accident when there is damage to a vehicle.

## HISTORY

Arizona Revised Statutes (A.R.S.) § 13-804 was added by Laws 1977, Chapter 142, § 59 and governs restitution for offenses causing economic loss and fines for reimbursement of public monies. The law specifies that on a defendant's conviction for an offense causing economic loss to any person, the court may order all or any portion of the fine imposed to be allocated as restitution to be paid by the defendant to any person who suffered an economic loss caused by the defendant's conduct. The law specifically directs the court to ignore the economic circumstances of the defendant in determining the amount of restitution and provides that the court or a designated staff member and a probation officer shall specify the manner in which the restitution is to be paid.

A.R.S. § 28-662 was added by Laws 1996, Chapter 76, § 18 and specifies that a driver of a vehicle involved in an accident resulting only in damage to a vehicle that is driven or attended by a person is required to immediately stop at the scene of the accident or as close to the accident scene as possible and remain at the scene until names, addresses and registration numbers are exchanged. Statute prescribes a Class 2 misdemeanor for a violation and allows the court to order the department of transportation to suspend the person's license or permit to drive for one year.

## PROVISIONS

1. Allows the court to allocate all or a portion of a fine as restitution for a victim of a traffic accident that involves a failure to stop or remain at the scene of an accident when there is damage to a vehicle.



# HOUSE OF REPRESENTATIVES

HB 2304

aggravated assault; simulated deadly weapon

Sponsor: Representative Farnsworth

---

**DP** Committee on Judiciary

**X** Caucus and COW

House Engrossed

---

## **OVERVIEW**

HB 2304 prescribes the offense of aggravated assault for an assault committed using a simulated deadly weapon.

## **HISTORY**

Arizona Revised Statutes (A.R.S.) § 13-1204 was added by Laws 1977, Chapter 142, § 61. As defined in current statute, an aggravated assault is the event of a person causing serious physical injury to another through the use of a deadly weapon, by a means of force, or other events outlined in the law.

## **PROVISIONS**

1. Prescribes the offense of aggravated assault for an assault committed using a simulated deadly weapon.
2. Prescribes a Class 3 felony.
3. Prescribes a Class 2 felony pursuant to A.R.S. § 13-705 if the victim is under 15 years of age.
4. Makes a conforming change.



# HOUSE OF REPRESENTATIVES

HB 2322

misbranded drugs; counterfeit marks; offense

Sponsors: Representative Weninger

---

**DPA** Committee on Judiciary

**X** Caucus and COW

House Engrossed

---

## OVERVIEW

HB 2322 expands the definition of *racketeering* to include manufacturing, selling or distributing misbranded drugs and prescribes a Class 4 felony for violations. Prescribes both a civil and criminal penalty for possession or use of a misbranded drug.

## HISTORY

United States Code, Title 21, Chapter 9 § 352 governs federal law relating to misbranded drugs and devices. Federal law specifies that a drug is misbranded if its label is false or misleading in any particular, including but not limited to the contents of the label, the designation of drugs by established names, directions for use and warnings, quantitative formula, contraindications and effectiveness and false advertising.

Arizona Revised Statutes § 32-1967 governs state law relating to misbranded drugs and outlines acts constituting the misbranding of a drug. State law specifies that a drug is misbranded if its label is false or misleading in any particular and delineates labeling requirements including adequate directions for use, warnings against use in those with pathological conditions or children where its use may be dangerous to the child's health. In addition to other provisions, the law specifies that a drug is misbranded if it is an imitation of another drug, or it is offered for sale under the name of another drug.

## PROVISIONS

1. Expands the definition of *racketeering* to include manufacturing, selling or distributing misbranded drugs and prescribes a Class 4 felony for violations.
2. Prohibits the possession or use of a misbranded drug and prescribes a misdemeanor.
3. Allows the court to prescribe a civil penalty of not more than \$10,000 to persons convicted of possessing or using misbranded drugs.
4. Specifies that a foreign dangerous drug is misbranded if it is not approved by the United States Food and Drug Administration (FDA) or obtained outside of the licensed supply chain regulated by the FDA, the Board of Pharmacy or the Department of Health Services, but makes the following exceptions:
  - a. An authorized foreign dangerous drug for use by a state law, or
  - b. That is imported lawfully under the Food, Drug and Cosmetic Act, or
  - c. Pursuant to an announcement by the FDA of the exercise of enforcement discretion for clinical research, drug shortages, development of countermeasures against chemical, biological, radiological and nuclear terrorism agents, or pandemic influenza preparedness and response.

5. Specifies that a drug is not considered misbranded if it is intended for the use in pharmaceutical compounding by a licensed pharmacist, physician or registered outsourcing facility if in compliance with state pharmacy laws and the Food, Drug and Cosmetic Act.
6. Exempts drugs, approved by the FDA or not, that are manufactured, packed or distributed for use in pharmaceutical compounding by a licensed pharmacist, physician or registered outsourcing facility if in compliance with state pharmacy laws and the Food, Drug and Cosmetic Act.
7. Defines *dangerous drug* as any drug that is unsafe for self use in humans or animals and includes:
  - a. Any drug that bears the legend: “Caution: Federal law prohibits dispensing without prescription”, “Rx only”, or words of similar import.
  - b. And device that bears the statement: “Caution: Federal law restricts this device to sale by or on the order of a \_\_\_\_\_”, “Rx only”, or words of similar import, the blank to be filled in with the designation of the practitioner licensed to use or order use of the device.
  - c. Any other drug or device that by federal or state law can be lawfully dispensed only on prescription.
8. Makes clarifying changes regarding the definition of retail value by specifying that retail value is the *manufacturer’s suggested retail price*.
9. Makes technical changes.

#### **AMENDMENTS**

##### Committee on Judiciary

1. Removes the \$10,000 civil penalty prescribed for possession or use of a misbranded drug.
2. Makes a technical change prescribing a Class 2 misdemeanor for the use or possession of a misbranded drug.
3. Makes a technical change.



# HOUSE OF REPRESENTATIVES

## HB 2378

peace officers; unlawful sexual conduct

Sponsors: Representative Borrelli

---

**DPA** Committee on Judiciary

**X** Caucus and COW

House Engrossed

---

### OVERVIEW

HB 2378 prohibits peace officers from engaging in sexual contact with any person who is in the custody of or who is the subject of an investigation.

### HISTORY

Arizona Revised Statutes (A.R.S.) § 13-105 defines *peace officer* as any person vested by law with a duty to maintain public order and make arrests and includes a constable. A.R.S. § 13-3871 provides that a peace officer may extend authority in any of the following circumstances:

- if prior consent has been given from the chief of police, marshal, sheriff or other department or agency head with peace officer jurisdiction, or
- if the peace officer has probable cause to make an arrest without a warrant, pursuant to A.R.S. § 13-3883.

A.R.S. § 41-1822, subsection A, paragraph 3 authorizes Peace Officer Standards and Training Board (AZPOST) to prescribe minimum qualifications for officers to be appointed to enforce the laws of this state and the political subdivisions of this state and certify officers in compliance with these qualifications. A.R.S. § 41-1828.01 allows a law enforcement agency to report peace officer misconduct to AZPOST.

### PROVISIONS

1. Specifies that a peace officer commits unlawful sexual conduct by knowingly engaging in sexual contact, oral sexual contact or sexual intercourse with any person who is in the officer's custody or a person who the officer knows or has reason to know is the subject of an investigation.
2. Prescribes a Class 2 felony pursuant to A.R.S. § 13-705 for unlawful sexual conduct with a victim under the age of 15.
3. Prescribes a Class 3 felony for unlawful sexual conduct with a victim who is at least 15 years of age, but under 18 years of age.
4. Prescribes a Class 5 felony for all other unlawful conduct.
5. Makes exemptions for:
  - a. An act done pursuant to a lawful search.
  - b. An officer who is married to or who is in a romantic or sexual relationship with the person at the time of the arrest or investigation, and specifies the following factors that may be considered in determining whether the relationship between the victim and the defendant is currently a romantic or sexual relationship:

- i. The type of relationship.
  - ii. The length of the relationship.
  - iii. The frequency of the interaction between the victim and the defendant.
  - iv. If the relationship has terminated, the length of the time since the termination.
6. Defines *custody* and *peace officer*.

#### **AMENDMENTS**

##### Committee on Judiciary

1. Eliminates the enhanced sentencing prescribed for the Class 2 felony relating to sexual conduct with a victim under the age of 15.
2. Removes A.R.S. § 13-705 from the bill.



# HOUSE OF REPRESENTATIVES

HB 2632

dog tethering

Sponsors: Representatives Lawrence, Andrade, Cardenas, et al.

---

**DPA/SE** Committee on Judiciary

**X** Caucus and COW

House Engrossed

---

## OVERVIEW

HB 2632 makes the tethering of a dog unlawful under certain circumstances.

## SUMMARY OF THE STRIKE-EVERYTHING AMENDMENT TO HB 2632

The proposed strike-everything amendment to HB 2632 prescribes a Class 3 misdemeanor for permanently attaching a dog to a stationary object for more than 24 continuous hours that restricts the dog from eating and sleeping in an area separate from where the dog urinates and defecates.

## HISTORY

Arizona Revised Statutes, Title 13, Chapter 29 outlines offenses against public order in relation to criminal code. Similar laws have been enacted in California, Louisiana, and Maine that restrict the tethering of a dog in a manner that is inhumane or detrimental to its welfare. Dog tethering can be described as the practice of chaining or fastening dogs to a stationary object or stake, usually in a person's backyard. This is often used as a way to remove a dog from the inside of a home if they have grown too large, are too vocal, are not house-trained, or are destructive to the home.

## PROVISIONS

1. Prescribes a Class 3 misdemeanor for permanently attaching a dog to a stationary object for more than 24 continuous hours, and further restricting the dog from eating and sleeping in an area separate from where the dog urinates and defecates, unless the dog owner or possessor is in the dog's physical presence or the dog is used in activities for the Arizona Department of Agriculture or the Arizona Department of Game and Fish.

## AMENDMENTS

### **Committee on Judiciary**

1. Adopted the proposed strike-everything amendment.





# HOUSE OF REPRESENTATIVES

HB 2663

small claims divisions; permissible motions

Sponsor: Representative Cobb

---

**DPA/SE** Committee on Judiciary

**X** Caucus and COW

House Engrossed

---

## OVERVIEW

HB 2663 allows justice courts to hear a motion for relief from judgment.

## SUMMARY OF STRIKE-EVERYTHING AMENDMENT

The proposed strike-everything amendment to HB 2663 allows a satisfaction of judgment to be filed in a small claims action.

## HISTORY

Arizona Revised Statutes § 22-503 was added by Laws 1980, Chapter 134, § 1 and outlines the jurisdiction of the small claims divisions of justice courts. The small claims division has concurrent original jurisdiction with the justice court in all civil actions in which the debt, damage, tort, injury or value of the personal property claims either by the plaintiff or defendant does not exceed \$3,500, exclusive of interest and costs, and in actions in which a party seeks to disaffirm, avoid or rescind a contract, or seeks equitable relief, and the amount at issue does not exceed \$3,500.

## PROVISIONS

1. Allows a satisfaction of judgment to be filed in a small claims action.

## AMENDMENTS

Committee on Judiciary

1. Adopted the proposed strike-everything amendment.



# HOUSE OF REPRESENTATIVES

## HB 2106

emergency and military affairs; continuation

Sponsors: Representatives Borrelli, Campbell, Cardenas, et al.

---

**DP** Committee on Military Affairs and Public Safety

**X** Caucus and COW

House Engrossed

---

### OVERVIEW

HB 2106 continues the Department of Emergency and Military Affairs (DEMA) and the State Emergency Council (SEC) until July 1, 2023.

### HISTORY

Arizona Revised Statutes (A.R.S.) § 41-3015.09 prescribes a termination date of July 1, 2015 for DEMA and the SEC; however Laws 2014, Chapter 229 extended the SEC until July 1, 2021.

DEMA manages and operates the Arizona Army and Air National Guard and provides statewide emergency management capabilities via the Division of Emergency Management (ADEM). ADEM prepares for and coordinates emergency management activities to reduce the impact of disaster on persons or property (A.R.S. § 26-305).

The SEC is comprised of fourteen members who make recommendations to the Governor for orders, rules, policies, and procedures relating to emergency preparedness. The SEC also monitors each emergency declared by the Governor, as well as activities and responses to the emergency (A.R.S. § 26-304).

### PROVISIONS

1. Continues DEMA and the SEC until July 1, 2023, retroactive to July 1, 2015.
2. Repeals DEMA and the SEC on July 1, 2023.
3. Eliminates language that repeals the SEC on July 1, 2021.
4. Contains a purpose statement.
5. Makes technical changes.



# HOUSE OF REPRESENTATIVES

HB 2126

department of public safety; divisions

Sponsor: Representative Borrelli

---

**DP** Committee on Military Affairs and Public Safety

**X** Caucus and COW

House Engrossed

---

## **OVERVIEW**

HB 2126 establishes a division within the Department of Public Safety (DPS) for law enforcement information sharing.

## **HISTORY**

DPS is organized into a number of divisions to provide different public safety services and functions, including the Highway Patrol Division, the Fingerprinting Division, the Criminal Investigation Division, and others. Laws 2014, Chapter 271 established the Joint Powers Public Safety Committee to facilitate the sharing of criminal justice information between law enforcement agencies as authorized by Arizona Revised Statutes § 41-1750.

AZLink was created by several Arizona law enforcement agencies to manage and share criminal justice information across jurisdictions. AZLink is composed of four main regions, each with an anchor law enforcement agency: AZLink South with the Tucson Police Department, AZLink East with the Mesa Police Department, AZLink Central with the Phoenix Police Department, and AZLink North with the Maricopa County Sheriff's Office and the Arizona Counter Terrorism Intelligence Center. AZLink supports two applications, COPLINK and the Justice Web Interface (JIW). COPLINK is used for tactical lead generation and crime analysis, whereas JIW accesses databases across multiple agencies and retrieves information based on a single request.

## **PROVISIONS**

1. Creates the Law Enforcement Information Sharing division (Division) within DPS.
2. Requires the Division to implement and maintain a law enforcement information and integrated data network.
3. Make a technical change.



# HOUSE OF REPRESENTATIVES

HB 2274

emergency and military affairs omnibus

Sponsors: Representatives Borrelli, Cardenas: Barton, et al.

---

**DPA** Committee on Military Affairs and Public Safety

**X** Caucus and COW

House Engrossed

---

## OVERVIEW

HB 2274 expands the use of the Camp Navajo Fund, repeals the National Guard Relief Fund, repeals outdated references, and modifies a reporting date.

## HISTORY

The Department of Emergency and Military Affairs (DEMA) manages and operates the Arizona Army and Air National Guard and provides statewide emergency management capabilities via the Division of Emergency Management. The Adjutant General acts as the director of DEMA and oversees both the military and emergency management functions.

The State Emergency Council (SEC) monitors each emergency declared by the Governor as well as activities and responses to the emergency. The Governor, upon proclamation of a state of emergency, may authorize the use of up to \$4 million from the state General Fund via the Governor's Emergency Fund each Fiscal Year without specific appropriation authority for disaster prevention and mitigation of hostile attacks or riots, epidemics, flooding, wildland fires, or other disasters. The SEC is required to submit a report to the Legislature on the expenditures incurred for each emergency for the previous Fiscal Year on or before August 1.

The National Guard Relief Fund consists of individual donations submitted via the state individual income tax return and is used to provide assistance to families of Arizona National Guard members who are mobilized in support of a contingency operation or state emergency. The National Guard Fund is a subaccount that receives proceeds from the rental or use of armories and is used for Arizona National Guard general operating expenses. The National Guard Fund is administered by the Adjutant General.

Camp Navajo is a munitions storage depot and Arizona Army National Guard training site located in Bellemont, Arizona. The Camp Navajo Fund is used for operation, maintenance, capital improvement, and related project costs for the Camp Navajo site and is funded by federal fees for storage and use of the site.

## PROVISIONS

### *Camp Navajo Fund*

1. Authorizes the use of Camp Navajo Fund monies for projects at any Arizona Army National Guard training site at the discretion of the Adjutant General or a designee.
2. Defines *training site* as a location that consists of ranges, training lands, or facilities to support individual or collective training to meet Arizona Army National Guard mission or operational requirements.

### ***National Guard Relief Fund***

3. Repeals the National Guard Relief Fund and the related tax refund donation process available to taxpayers.
4. Transfers any remaining National Guard Relief Fund monies to the Department of Veterans' Services for distribution to a nonprofit organization that provides financial assistance to Arizona National Guard members and their families.

### ***Miscellaneous***

5. Repeals statutes relating to the Division of Military Affairs (Division).
  - a. Removes all references to the Division and general staff.
  - b. Replaces duties currently conducted by general staff with the Adjutant General or a designee or DEMA.
6. Clarifies that the Adjutant General's designee may withdraw monies from the National Guard Fund.
7. Extends the due date for the SEC report on expenditures from the Governor's Emergency Fund from August 1 to September 1.
8. Makes technical and conforming changes.

### **AMENDMENTS**

#### **Committee on Military Affairs and Public Safety**

1. Increases the amount that the Adjutant General may expend from the Governor's Emergency Fund during a state of emergency from \$20,000 to \$100,000.



# HOUSE OF REPRESENTATIVES

HB 2489

EMTs; peace officers; naloxone administration

Sponsor: Representative Carter

---

**DPA** Committee on Military Affairs and Public Safety

**X** Caucus and COW

House Engrossed

---

## OVERVIEW

HB 2489 authorizes a trained emergency medical technician (EMT) or peace officer to administer an opiate antagonist to a person suffering from an opiate overdose.

## HISTORY

The Medical Direction Commission (Commission) makes recommendations to the director of the Department of Health Services (DHS) regarding medical treatments, procedures, training, and techniques for all classifications of EMTs. There are four levels of EMT classification in Arizona: EMT, EMT-I99, Advanced EMT, and Paramedic. An EMT may only perform medical treatments and procedures or administer medications within the EMT's scope of practice.

Naloxone hydrochloride is an opiate antagonist which is administered to reverse the negative effects of a person who is known or suspected to be suffering from an opiate-related drug overdose. On January 29, 2015, the Commission voted to allow all EMT classifications to administer naloxone hydrochloride, pending approval by the DHS director.

## PROVISIONS

1. Allows any trained EMT or peace officer, pursuant to a standing order from a licensed physician, to administer naloxone hydrochloride or another opiate antagonist approved by the U.S. Food and Drug Administration (FDA) to a person believed to be suffering from an opiate-related drug overdose.
2. Requires DHS to develop a training program for EMTs and peace officers in the detection of an opiate-related drug overdose and the use of naloxone hydrochloride and other opiate antagonists.
3. Exempts physicians who issue a standing order for and EMTs and peace officers who administer naloxone hydrochloride or another opiate antagonist approved by the FDA in good faith from civil, professional, or criminal liability.
4. Makes technical changes.

## AMENDMENTS

### **Committee on Military Affairs and Public Safety**

1. Allows nurse practitioners who are authorized to prescribe medications to issue a standing order for EMTs and peace officers to administer naloxone hydrochloride or another opiate antagonist approved by the FDA.



# HOUSE OF REPRESENTATIVES

HB 2308

vehicle equipment; lighting.

Sponsor: Representative Farnsworth E

---

**DP** Committee on Transportation & Infrastructure

**X** Caucus and COW

House Engrossed

---

## **OVERVIEW**

HB 2308 clarifies statute with regard to tail lamps and requires both lamps on a motor vehicle to be functional and in good working condition.

## **HISTORY**

Arizona Revised Statutes (A.R.S.) § 28-939 requires a motor vehicle to be equipped with one or more lamps or mechanical signal devices that are capable of clearly indicating an intention to turn either left or right and that is visible from both the front and rear. A.R.S. § 28-939 also requires a motor vehicle to have a stop lamp on the rear that is activated by the use of the break. The stop lamp and signal lamps must be visible from at least 100 feet in the daylight or nighttime. These lamps and stop lamps must be maintained at all times in good working condition and not project a glaring or dazzling light.

## **PROVISIONS**

1. Requires both tail lamps and lamps to be fully functioning and working on a motor vehicle.
2. Makes technical and conforming changes.



# HOUSE OF REPRESENTATIVES

HB 2528

vehicle right-of-way; buses

Sponsors: Representative Thorpe

---

**DP** Committee on Transportation & Infrastructure

**X** Caucus and COW

House Engrossed

---

## OVERVIEW

HB 2528 allows a local authority to pass an ordinance requiring a vehicle that is traveling on a street or highway in a county with a population less than 900,000 people to yield the right-of-way to a bus that is entering the street or highway from a bus pull-out lane.

## HISTORY

Arizona Revised Statutes (A.R.S.) § 28-627 provides a list of powers that the state designates to local authorities. Among other things, a local authority has the power to regulate the standing or parking of vehicles, regulate traffic by means of police officers or traffic control signals, and regulate or prohibit the turning of vehicles at intersections. Pursuant to A.R.S. § 28-1092, a local authority shall provide reasonable access to and from terminals and service facilities on highways under its jurisdiction.

Current law provides the driver of a vehicle about to enter or cross a highway from a private road or driveway must yield the right-of-way to all closely approaching vehicles on the highway. Current law also provides that buses are to yield the right-of-way to oncoming traffic.

## PROVISIONS

1. Allows a local authority to pass an ordinance requiring a vehicle that is traveling on a street or highway in a county with a population less than 900,000 people to yield the right-of-way to a bus that is entering the street or highway from a bus pull-out lane.
2. States that if a local authority enacts an ordinance, as described, the local authority must require that both:
  - a. There be a warning device that is visible to traffic and that indicates the bus driver's intent to enter the street or highway.
  - b. The bus and the bus pull-out lane display signs stating that when the bus is entering the street or highway from a bus pull-out lane, the bus has the right-of-way and vehicles must yield to the bus as it enters the street or highway.





# HOUSE OF REPRESENTATIVES

HB 2609

license plates; trailers; issuance

Sponsors: Representative Gray

---

**DPA**

**S/E** Committee on Transportation & Infrastructure

**X** Caucus and COW

House Engrossed

---

## **OVERVIEW**

HB 2609 changes the date a standard license plate for a trailer must be issued to August 11, 2005.

## **SUMMARY OF THE PROPOSED STRIKE-EVERYTHING AMENDMENT TO HB 2609**

HB 2609 allows the Arizona Department of Transportation (ADOT) to waive the requirement for a written and driving examination required for an operator of a motor vehicle holding a valid driver license issued by a foreign country.

## **HISTORY**

Arizona law requires that you obtain an Arizona driver license (and vehicle registration) immediately if any one of the following applies to you:

- You work in Arizona (other than for seasonal agricultural work).
- You are registered to vote in Arizona.
- You have place children in school without paying the tuition rate of a nonresident.
- You have a business that has an office in Arizona that bases and operates vehicles in this state.
- You have obtained a state license or pay school tuition fees at the same rate as an Arizona resident.
- You have a business that operates vehicles to transport goods or passengers within Arizona.
- You have remained in Arizona for a total of seven months or more during any calendar year, regardless of your permanent residence.

Arizona Revised Statutes § 28-3164 provides that an applicant for a driver license be examined in each of the following areas:

- Eyesight,
- Ability to read and understand official traffic control devices, and
- Knowledge of safe driving practices and the traffic laws of this state, including those practices and laws relating to bicycles.

ADOT may provide an exemption from a written or driving test if a person has a valid driver license from another state in the United States.

## **PROVISIONS**

1. Allows ADOT to waive the requirement for a written and driving examination for an operator of a motor vehicle holding a valid driver license issued by a foreign country in

which the operator previously resided and applies for an initial driver license in this state as an original applicant, if all of the following conditions are met:

- a. The Director of ADOT (Director) determines that the standards of the foreign country for licensing operators of motor vehicles are substantially similar to those of this state;
  - b. The foreign country extends the same reciprocal driver license application privileges to persons licensed in this State;
  - c. The Director and the foreign country have exchanged letters or other documentation to confirm the reciprocal extension of privileges to operate motor vehicles; and
  - d. The original applicant under this section complies with the mandatory motor vehicle provisions.
2. Requires a person to surrender their foreign country driver license to ADOT upon successful application.
  3. Requires ADOT to publish on its public internet site a current list of foreign countries for which reciprocal operating privileges have been extended and withdrawn.
  4. Specifies that this section does not apply to commercial driver licenses.
  5. Allows the Director to adopt rules to implement this legislation.

#### **AMENDMENTS**

#### **Committee on Transportation and Infrastructure**

The strike-everything amendment was adopted.



# HOUSE OF REPRESENTATIVES

HB 2662

speed restrictions; penalties

Sponsors: Representative Stevens

---

**DP** Committee on Transportation & Infrastructure

**X** Caucus and COW

House Engrossed

---

## OVERVIEW

HB 2662 modifies maximum speed limit statute and penalties.

## HISTORY

Arizona Revised Statutes § 28-702.1 provides that if the maximum speed limit on a public highway in this state is fifty-five miles per hour, a person shall not drive a motor vehicle at a speed in excess of fifty-five miles per hour on that highway. If a person is found driving sixty-five miles per hour or less, the offense is designated as the waste of a finite resource and is a civil traffic violation. If a person is found responsible for a civil traffic violation pursuant to statute:

- A department or agency of this state shall not consider the violation for the purpose of determining whether the person's driver license should be suspended or revoked and a court shall not transmit abstracts of records of judgment for the violation to the Arizona Department of Transportation;
- An insurer shall not consider the violation as a moving traffic violation against the person for the purpose of establishing rates of motor vehicle insurance charged by the insurer and shall not cancel or refuse to renew a policy of insurance because of the violation.

This section does not apply to an interstate highway system located outside of an urbanized area, as defined in statute, with a population of fifty thousand or more persons.

## PROVISIONS

1. Modifies the maximum speed limit at which a person may drive on a highway from fifty-five miles per hour to the maximum speed limit of the street or highway.
2. Redefines an offense that is designated as a *waste of a finite resource*.
3. Establishes that an offense of eleven miles per hour or more over the maximum speed limit is designated as a civil traffic violation and the person is subject to a civil penalty of not more than \$250.
4. Provides that this section does not apply to:
  - a. A school crossing,
  - b. A state highway work zone,
  - c. A speed zone, and
  - d. A business or residential district.
5. Makes technical and conforming changes.



# HOUSE OF REPRESENTATIVES

HB 2069

technical correction; tax refund account

Sponsor: Representative Mesnard

---

DPA/SE Committee on Ways and Means

X Caucus and COW

House Engrossed

---

## OVERVIEW

HB 2069 makes a technical correction to the Department of Revenue's tax refund account.

## SUMMARY OF THE PROPOSED STRIKE-EVERYTHING AMENDMENT TO HB 2069

The proposed strike-everything amendment to HB 2069 reduces individual income tax rates in order to offset increased revenues received from online sales tax that is the result of Congressional action.

## HISTORY

Transaction Privilege Tax (TPT) is imposed on a vendor for the privilege of conducting business in Arizona. Under this tax, the seller is responsible for remitting to the state the entire amount of tax due based on the gross proceeds or gross income of the business. While the tax is commonly passed on to the consumer at the point of sale, it is ultimately the seller's responsibility to remit the tax. Business activities subject to TPT include, but are not limited to: retail, restaurants and bars, hotel/motel, commercial leasing, advertising, amusements, personal property rentals, real property rentals, construction contracting, owner/builders, manufactured building, mining, timbering, transportation, printing, publishing, utilities, communications, air/railroad, and private cars/pipelines. The current Arizona TPT rate is 5.6%. The Arizona Department of Revenue (DOR) collects TPT and administers distribution to the state General Fund (GF) and counties, cities and towns.

In 1992, the Supreme Court of the United States stated that absent federal legislation, states could not collect sales tax from retailers with no physical presence in their state. The Marketplace Fairness Act (MFA) is an example of federal legislation that would enable states to collect sales tax from remote retailers who have no presence, or nexus, in their state. The MFA, if enacted in its current form, would require Arizona to be in compliance with the Streamlined Sales and Use Tax Agreement or meet alternative tax simplification requirements. Arizona currently collects online sales tax from online retailers who also have brick and mortar stores in Arizona, as well as the online retailer Amazon.

## PROVISIONS

1. Requires DOR to estimate the amount of additional revenue collected during the first full taxable year that a *qualifying federal law* produces new collections of remote retailer TPT.
2. Requires DOR to determine the amount that individual income taxes can be reduced in the following Tax Year (TY), in order to proportionally decrease each individual income tax bracket by the amount of increased revenue from online TPT sales tax collections.

3. Requires DOR to certify its amounts to the Governor, Speaker of the House of Representatives and President of the Senate one year prior to the TY in which the tax rates take effect.
4. Defines *qualifying federal law*.
5. Includes legislative intent that this Act is not to be viewed as legislative support or opposition of the MFA or similar federal law.

#### **AMENDMENTS**

##### **Committee on Ways and Means**

1. Adopted the proposed strike-everything amendment.



# HOUSE OF REPRESENTATIVES

HB 2083

income tax revisions

Sponsor: Representative Mesnard

---

**DPA** Committee on Ways and Means

**DPA** Committee on Appropriations

**X** Caucus and COW

House Engrossed

---

## OVERVIEW

HB 2083 makes various changes based on the Joint Task Force on Income Tax Reform (Task Force) recommendations regarding audit period, income tax bracket inflation index and business expensing and bonus depreciation.

## HISTORY

The Task Force was established by the President of the Senate and Speaker of the House of Representatives on August 15, 2013. The charge of the Task force is to enhance Arizona's business friendly profile and to make our tax system fairer for the average taxpayer. The Task Force explored ways of reforming Arizona's existing personal income tax system. The task force met seven times and produced a final report, which can be found at <http://azleg.gov/itr/>

The Task Force made the following recommendations:

- Permanently increase instant expensing allowance to \$500,000.
- Permanently increase bonus depreciation allowance to 50%.
- Index income tax brackets for inflation.
- Reduce ITT graduated-rate system from five to three income tax brackets.
- Allow businesses to E-file income tax returns with Department of Revenue (DOR).
- Reduce audit period from four to three years.
- Provide DOR with resources to build an up-to-date, sophisticated IIT model.
- Repeal obsolete statutes.

## PROVISIONS

### *Audit Period*

1. Requires all audits not based on federal information to be performed within three years after the report or return is filed, whichever expires later, beginning in the 2015 Tax Year (TY).
2. Stipulates that following an audit based on state information, an audit may still be performed based solely on federal information within four years.
3. Makes technical and conforming changes.
4. Applies retroactively beginning from and after December 31, 2014.

### *Income Tax Brackets*

5. Requires DOR to increase the income dollar amount of each income tax bracket to compensate for the annual change in the Metropolitan Phoenix Consumer Price Index for each year beginning from and after December 31, 2015.

6. Stipulates that the revised dollar amount shall be raised to the nearest whole dollar.
7. Prohibits the dollar amount from being revised below the amount prescribed in the prior tax year.

*Arizona gross income*

8. Adds adjustment related provisions to the amounts utilized to calculate Arizona adjusted gross income.
9. Provides that a taxpayer may take an expense deduction in an amount equal to the amount allowed under the Internal Revenue Code (IRC) § 179 if the maximum deduction were \$500,000, reduced by the amount exceeding \$2 million, for qualified property placed in service during and after TY 2014.
10. Provides, for TY 2014, that a taxpayer may deduct 10% of the amount of bonus depreciation allowed under IRC § 168(k) and stipulates such an election applies for the rest of the asset's life.
11. Allows a tax payer to take a 50% bonus depreciation deduction for qualified property placed in service during and after TY 2014.
12. Outlines necessary calculations regarding additions to Arizona gross income to avoid a double deduction if a taxpayer uses the business expensing or bonus depreciation provisions for and after TY 2014.

*Repeal of Obsolete Statutes*

13. Repeals A.R.S. § 43-1021, Paragraph 21 and A.R.S. § 43-1121, Paragraph 9.

**AMENDMENTS**

**Committee on Ways and Means**

2. Changes various dates throughout the bill.

**Committee on Appropriations**

3. Makes various technical changes.



# HOUSE OF REPRESENTATIVES

## HB 2108

property tax; class nine; conventions  
Sponsors: Representatives Mitchell: Fann

---

**DP** Committee on Ways and Means

**X** Caucus and COW

House Engrossed

---

### **OVERVIEW**

HB 2108 classifies improvements and property used exclusively for convention activities as class nine property.

### **HISTORY**

Arizona Revised Statutes (A.R.S.) § 42-12009 outlines class nine property classifications. Qualifying properties include improvements to federal, state, county and municipal property with an assessment ratio of one percent.

Property assessment responsibilities are shared between the Department of Revenue (DOR) and the county assessors. *Centrally valued property*, which include mines, utilities, airlines and railroads, are valued by DOR. All other properties, which are referred to as *locally assessed properties*, are valued by the county assessor. Tax liability is determined using the valuation, the use classification assessment ratio, and the tax rate set by the applicable taxing jurisdiction.

Amended by Laws 2012, Chapter 349 § 1, A.R.S. § 42-12009, subsection A, paragraph 6 limits the classification of class nine property to improvements and property used exclusively for athletic, recreational, entertainment, artistic, and cultural facilities or used primarily for convention activities. This section of law also requires the improvements to become property of the government entity upon termination of the lease, with the exception of those used for convention activities.

### **PROVISIONS**

1. Provides that improvements and property used exclusively for convention activities are classified as class nine property.
2. Makes a technical correction.





# HOUSE OF REPRESENTATIVES

## HB 2253

property tax assessments; one-year cycle  
Sponsor: Representative Mitchell

**DPA** Committee on Ways and Means

**X** Caucus and COW

House Engrossed

### OVERVIEW

HB 2253 modifies various property tax deadlines to establish a one-year tax cycle.

### HISTORY

Arizona Revised Statutes (A.R.S.) Title 42, Chapter 11 outlines property tax provisions. Currently, real property is on a two-year tax cycle. Year one, referred to as the *valuation year*, is when a valuation is made on a property. Immediately following year two, the *tax year*, the valuation from the previous year is acknowledged.

Laws 1997, Chapter 150 § 172 established a two-year tax cycle in order to give counties adequate time to address the large amount of appeals. In 2012, the Arizona voters passed Proposition 117 which amended the Constitution to cap the annual increase in the value of real property to five percent over the value of the property for the previous year.

The table below outlines the schedule for the two-year property tax cycle:

<i>Valuation Year</i>	<i>Tax Year</i>
March 1 – notice of value delivered	October 1 – assessor to transmit values to compute levy limits
May 1 – appeal of valuation deadline	October 1 – first half of property tax due
August 15 – appeals must be addressed by the assessor	March 1 the following calendar year – second half of taxes due
December 20 – assessment roll completed by the assessor and submitted to the Board of Supervisors	

### PROVISIONS

1. Revises the valuation, assessment, levy and collection schedule to establish a single-year property tax cycle, from an 18 month property tax cycle.
2. Removes the requirement for a county assessor to submit an electronic roll of assessed value by January 15.
3. Defines *valuation date* to include real and personal property:
  - a. valued by the Department of Revenue (DOR) - January 1 of the year preceding the year in which taxes are levied
  - b. valued by the assessor - January 1 of the year taxes are levied.

4. Requires DOR to conduct sales-ratio studies and issue a letter listing concerns to the assessor, and requires the assessor to address the concerns by submitting complete data files to DOR.
5. Removes language regarding cases of omission or change within the valuation year.
6. Repeals a section of statute regarding the assessment process in new construction cases.
7. Excludes the county BOE from utilizing the assessment roll abstract.
8. Eliminates language regarding valuation appeals or classifications originating from supplemental notices.
9. Clarifies revisions made to equalization orders are effective the year in which the order was issued.
10. Prohibits a county or state BOE decision regarding a valuation from new construction from being appealed directly to the court.
11. Removes language allowing a new owner to appeal a valuation if there was a change in ownership after December 15.
12. Specifies that a notice of valuation for commercial personal property must be sent out by August 30, excluding mobile homes.
13. Requires the assessor to complete a commercial personal property roll and submit it to the BOS.
14. Authorizes the county and state board of equalization to utilize the commercial personal property roll for lawful purposes.
15. Revises section short title to read *The Property Owner Protection Act*.
16. Contains an effective date from and after December 31, 2016 for sections 1-10; and from and after December 31, 2017 for sections 11-34.
17. Makes technical and conforming changes.

#### **AMENDMENTS**

##### **Committee on Ways and Means**

1. Requires a petition to be filed within 45 days, rather than 30 days, after the notice was delivered by the assessor.



# HOUSE OF REPRESENTATIVES

HB 2450

taxation; trust income; technical correction

Sponsor: Representative Olson

---

**DPA/SE** Committee on Ways and Means

**X** Caucus and COW

House Engrossed

---

## **OVERVIEW**

HB 2450 Alters language regarding tax liens on trust income.

## **SUMMARY OF THE PROPOSED STRIKE-EVERYTHING AMENDMENT TO HB 2450**

HB 2450 exempts billboards from the rental classification of Transaction Privilege Tax (TPT).

## **HISTORY**

Transaction Privilege Tax (TPT) is imposed on a vendor for the privilege of conducting business in Arizona. Under this tax, the seller is responsible for remitting to the state the entire amount of tax due based on the gross proceeds or gross income of the business. While the tax is commonly passed on to the consumer at the point of sale, it is ultimately the seller's responsibility to remit the tax. Business activities subject to TPT include, but are not limited to: retail, restaurants and bars, transient lodging (hotel/motel), commercial leasing, advertising, amusements, personal property rentals, real property rentals, construction contracting, owner/builders, manufactured building, severance (mining, timbering), transportation, printing, publishing, utilities, communications, air/railroad, and private cars/pipelines.

## **PROVISIONS**

1. Specifies that TPT on personal property rentals does not apply to leasing or renting billboards.
2. Makes a technical correction.

## **AMENDMENTS**

### **Committee on Ways and Means**

1. Adopted the proposed strike-everything amendment.



# HOUSE OF REPRESENTATIVES

HB 2615

illegal tax levies; review; notice

Sponsors: Representatives Ackerley; Mitchell

---

**DP** Committee on Ways and Means

**X** Caucus and COW

House Engrossed

---

## **OVERVIEW**

HB 2615 requires the Property Tax Oversight Commission (PTOC) to review secondary property tax levies for each county, city, town, and community college district.

## **HISTORY**

The Property Tax Oversight Commission (PTOC) was established in 1987. PTOC consists of five members, including the Director of the Department of Revenue (DOR) as the chairman. The remaining four members of PTOC serve three-year terms and are knowledgeable in the area of property tax assessment and levies. One of the four non-chair PTOC members is appointed by the Governor and the remaining three members are jointly appointed by the President of the Senate and the Speaker of the House of Representatives. DOR provides staff for PTOC, which meets at least once a year.

PTOC is the entity that reviews the levy limit calculations of political subdivisions. PTOC determines if any subdivisions are out of compliance with their levy limit. If a violation has occurred, then the subdivision must either correct the violation or appeal the decision.

Additionally, PTOC receives information from local governments regarding their compliance with Truth-in-Taxation (TNT) provisions. TNT requires local government to hold a hearing and take a vote on action to increase their property tax levies above the amount levied in the previous year. In 2003, legislation was passed requiring PTOC to determine if school districts, community college districts, counties or municipalities are violating TNT notice and hearing requirements and to notify them if they are in violation of TNT. Local governments may appeal PTOC's decisions.

## **PROVISIONS**

1. Requires PTOC to review secondary property tax levies in each county, city, town and community college district to identify violations of constitutional and statutory requirements.
2. Requires PTOC to provide various state entities with notice of violations pertaining to secondary property tax violations.



# HOUSE OF REPRESENTATIVES

HB 2616

public school credit; equalization assistance

Sponsor: Representative Olson

---

**DP** Committee on Ways and Means

**X** Caucus and COW

House Engrossed

---

## OVERVIEW

HB 2616 makes various changes to the Public School Tax Credit.

## HISTORY

Established by Laws 1997, Chapter 48, the Public School Tax Credit permits individuals to receive a dollar-for-dollar reduction in income tax liability for contributions to public schools. An individual may receive up to a \$200 Credit, or a married couple may receive up to a \$400 credit, for contributions to a public school in support of extracurricular activities and character education programs (Arizona Revised Statutes (A.R.S.) § 43-1089.01). Public School Tax Credit contributions that are not designated for a specific purpose are distributed at the discretion of the school site council or administrator. In Tax Year 2013, the Arizona Department of Revenue reported 253,842 claimants totaling approximately \$50.9 million.

School districts generally determine a budget capacity through a statutory formula that includes funding for transportation, a base level amount multiplied by a weighted student count and District Additional Assistance. Once a district's formula funding is determined, the district produces revenue through a levy on property within the district that is capped at a rate of \$4.253 for a unified school district or \$2.1265 for a common or high school district (A.R.S. § 41-1276 (H)). State equalization assistance is given to school districts that assess the maximum levy and are in need of additional revenue to meet their budget capacity (A.R.S. § 15-971). Charter schools do not receive revenues from a property tax and their budget capacity is determined through a separate formula which includes the base level amount multiplied by a weighted student count and Charter Additional Assistance. Equalization assistance for charters is equal to the statutory funding formula amount.

## PROVISIONS

1. Removes the requirement for Public School Tax Credit contributions to be spent on character education programs and extracurricular activities.
  - a. Removes language regarding utilization of undesignated funds.
2. Modifies Public School Tax Credit contribution reporting requirements to require: schools that receive contributions to report the dollar amount received to the State Board of Education and DOR by September 1, of each year.
3. Includes in the equalization assistance formula for school districts and charter schools an item for extracurricular activities and classroom learning priorities assistance.
4. Determines the extracurricular activities and classroom learning priorities assistance to be \$47.38 multiplied by the student count of the school district or charter school.

- a. Specifies the assistance must be used for extracurricular activities and classroom learning priorities.
- 5. Requires monies received through the Public School Tax Credit to be deducted from equalization assistance.
- 6. Makes technical and conforming changes.



# HOUSE OF REPRESENTATIVES

HB 2617

regulatory relief tax credit

Sponsors: Representatives Mesnard, Mitchell: Kern, et al.

---

**DPA** Committee on Ways and Means

**DPA** Committee on Appropriations

**X** Caucus and COW

House Engrossed

---

## OVERVIEW

HB 2617 creates an income tax credit for small businesses that incur costs from specified state regulations.

## HISTORY

The Governor's Regulatory Review Council (Council) reviews and approves agency rules to ensure that the rules were properly developed and comply with specific statutory criteria. The Council reviews proposed rules to ensure that the agency has authority to make the rule and it does not conflict with existing law; the rule language is understandable; the rule's probable benefits outweigh its probable costs; and that the agency has addressed public comments.

The Council consists of seven members, six of which are appointed by the Governor to hold three-year terms. The Chair of the Council, the seventh member, is served by the Director of the Department of Administration or a designee. The members serve at the pleasure of the Governor and are required to meet at least once a month. The Council is regulated by Arizona Revised Statutes (A.R.S.) Title 41, Chapter 6, Article 5 and will repeal on January 1, 2018, pursuant to A.R.S. § 41-3017.05.

Added by Laws 2009, Chapter 32 § 2, the Joint Legislative Income Tax Credit Review Committee was established to determine the original purpose of existing tax credits and establish a standard for evaluating and measuring the success or failure of the tax credits. The standard for evaluating tax credits may include: (1) the history, rationale and estimated revenue impact of the credit; (2) whether the credit has provided a benefit to this state including, for corporate tax credits, measurable economic development, new investments, creation of new jobs or retention of existing jobs in this state; and (3) whether the credit is unnecessarily complex in the application, administration and approval process.

## PROVISIONS

1. Allows a *small business* to claim a tax credit for *creditable expenses* due to *extra regulation*, instead of pursuing judicial remedies or appeals against the regulating entity.
2. Specifies that a credit is against the *claimants'* income tax liability for the taxable year in which it is approved.
3. Specifies that a credit approved by the Council constitutes a debt against the state General Fund (GF) appropriation to the agency directly responsible for the regulation.

4. Appropriates \$350,000 from the GF to the Council for administering this Act and four full-time equivalent employment positions.
5. Stipulates that a tax credit must be for a *creditable expense* greater than \$200 and each credit may only regard one regulation.
6. Specifies that each credit may not exceed \$1,000.
7. Caps the aggregate amount of credits at \$500,000; if the cap is reached, the Council must notify all parties to pending claims that further proceedings are terminated and no further credits may be awarded for that calendar year.
8. Allows credits approved by the Council to be carried forward for up to five years.
9. Designates the Council as the entity which shall administer the credit.
10. Requires the Council to develop an electronic claim form that includes the following:
  - a. The *claimant's* name.
  - b. The name, title, business address, phone number and email address of the individual submitting the claim.
  - c. Information necessary to determine whether the claimant is actually engaged in business activity, such as a transaction privilege tax license number.
  - d. An identification of the regulation and corresponding claim amount.
  - e. The regulating entity's name.
  - f. A waiver and acknowledgement that by filing the claim, the *claimant* will not litigate or pursue judicial remedies against the regulating entity or entities evaluating the claim.
  - g. Any other information required by the Council to evaluate and rule on validity of claims.
  - h. A declaration that the claim is true, complete and accurate to the *claimant's* best knowledge.
11. Allows the Council to forward a copy of the claim, as a formal notice, to the responsible regulating entity.
12. Grants the Council 60 days to evaluate, deny and notify *claimants* that their claim has been denied before it is automatically considered approved.
13. Requires the Council to notify the Department of Revenue of a claim upon approval.
14. Requires the Council to deny claims that are based on substantially similar circumstances to a previously denied claim.
15. Requires the Council to maintain a public electronic register of claims filed.
16. Requires the Council to provide, upon request, annual data on the number of claims filed, the number of claims accepted for review and the number of accepted claims.
17. Instructs the Joint Legislative Tax Credit Review Committee to review the tax credit during years ending in zero and five.
18. Defines various terms.
19. Contains a legislative purpose clause.

#### **AMENDMENTS**

##### **Committee on Ways and Means**

1. Excludes the Corporation Commission from the definition of *regulating entity*.
2. Adds to the definition of *small business*, any other corporation incorporated in this state that has fewer than 50 full-time employees.



3. Replaces shall with may regarding the council's authority to deny a claim that is not submitted in a complete, correct and timely manner.
4. Removes language that deems a claim approved for processing if the Council fails to make a decision within 60 days after the submission of the claim.
5. Removes language that states, any amount of a claim approved by the Council constitutes a debit against the state General Fund appropriation to the state agency responsible for enacting, adopting or enforcing the regulation that resulted in the tax credit.
6. Reduces the reporting requirements the Council is must maintain.
7. Makes technical and conforming changes.
8. Reduces the appropriation to the Council from \$350,000 to \$175,000.
9. Reduces the prescribed number of administrative full-time employees from four to two.
10. Becomes effective in the 2016 Tax Year.

**Committee on Appropriations**

11. Removes the appropriation to the Council and includes all other Ways and Means Committee amendment changes.



# HOUSE OF REPRESENTATIVES

HB 2653

tax liens; delinquency; partial payments

Sponsor: Representative Olson

---

**DPA** Committee on Ways and Means

**X** Caucus and COW

House Engrossed

---

## OVERVIEW

HB 2653 contains various provisions regarding partial payments on delinquent taxes and subsequent Certificates of Purchase (CP).

## HISTORY

Pursuant to Arizona Revised Statutes (A.R.S.) § 42-17401 an elderly assistance fund (EAF) must be established by the board of supervisors in counties with populations exceeding two million people. EAFs are used to reduce the primary school district tax rates for elderly persons who qualify for the property valuation protection option (PVPO) under Article IX, Section 18 of the Arizona Constitution.

A.R.S. §§ 41-18101 and 41-18104 state that a county treasurer must secure unpaid delinquent tax payments by selling tax liens at an aggregate amount equal to all unpaid taxes, penalties, interest and charges due on the property for current and proceeding years. Tax lien purchasers are awarded a CP, and the CP bears interest at the bid rate beginning the first day of the month following the lien's sale. In order to redeem a property tax lien, the person owing back taxes must pay the county treasurer all fees, including taxes, interest and charges accrued on the property within three years of a CP being issued. If the county in which the lien is being redeemed has an EAF, the county treasurer must deposit an amount equal to the difference between the CP interest rate and 16%, as provided by A.R.S. §§ 42-18153 and 42-18053.

## PROVISIONS

1. Strikes a provision requiring partial payments accepted by county treasurers to be at least 10% of the amount due.
2. Requires the county treasurer from counties with an established EAF to accept, credit and issue receipts for partial delinquent tax payments equal to at least 25% of the total amount due.
3. Requires the county treasurer to issue separate CPs, with the original interest rate, for each subsequent year's taxes, including accrued interest and fees.
4. States that subsequent CPs issued by the county treasurer carry the full foreclosure right as the original and may be redeemed separately.
5. States that unredeemed subsequent CPs may be foreclosed at least three years after the lien would have been offered for sale but no more than ten years after the first day of the first month following the sale of the lien.

6. Stipulates that if a law or court order prohibits action to foreclose, the 10 year limitation from the sale date is extended an additional 12 months.
7. Makes conforming changes.

#### **AMENDMENTS**

##### **Committee on Ways and Means**

1. Reinstates the provision requiring delinquent payments be at least 10% the amount due.
2. States that for counties with an established EAF, the minimum requirement for delinquent payments is 25% of the principal amount on the oldest remaining year of the delinquency, plus interest and fees.
3. Specifies that receipts issued by the county treasure for payments on delinquent taxes must show the principal, interest and fee amounts allocated to the CP and to the EAF.
4. Specifies that 80% of the money received from the difference between the delinquent tax interest rate and the CP interest rate must go to the county EAF, and the remaining 20% goes to the CP holder.
5. Requires the county treasures to issue partial redemption statements for persons who have satisfactorily made partial payments.
  - a. Partial redemption statements must identify the person making the partial redemption, describe the parcels in redemption, state the partial redemption date, amount paid, amount allocated to the CP, amount allocated to accrued interest and amount allocated to EAF.
6. Makes technical and conforming changes.